SILVER BULL RESOURCES, INC.
Form 10-K
January 26, 2015

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

(Mark One)

R ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE FISCAL YEAR ENDED October 31, 2014

£ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE TRANSITION PERIOD OF _________ TO _________.

Commission File Number: 001-33125

SILVER BULL RESOURCES, INC.
(Exact name of registrant as specified in its charter)

Nevada	91-1766677
State or other jurisdiction of incorporation or organization	(I.R.S. Employer Identification No.)

925 West Georgia Street, Suite 1908
Vancouver, B.C. V6C 3L2
(Address of principal executive offices, including zip code)

Registrant's telephone number, including area code: (604) 687-5800

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock, $0.01 Par Value	NYSE MKT

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.
Yes o No R

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Exchange Act.
Yes o No R

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
Yes R No o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).
Yes R   No o

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. R

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or smaller reporting company:

Large accelerated filer o Accelerated filer o Non-accelerated filer o Smaller reporting company R

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes o No R

As of January 26, 2015, there were 159,072,657 shares of the registrant's $0.01 par value Common Stock ("Common Stock"), the registrant's only outstanding class of voting securities, outstanding. As of April 30, 2014, the aggregate market value of the registrant's voting Common Stock held by non-affiliates of the registrant was approximately $38.8 million based upon the closing sale price of the Common Stock as reported by the NYSE MKT. For the purpose of this calculation, the registrant has assumed that its affiliates as of April 30, 2014 included two shareholders that held approximately 21.5% of its outstanding common stock and all directors and officers.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's definitive proxy statement to be filed with the Securities and Exchange Commission pursuant to Regulation 14A in connection with the 2015 annual meeting of shareholders are incorporated by reference in Part III of this annual report on Form 10-K.

SILVER BULL RESOURCES, INC.
ANNUAL REPORT ON FORM 10-K
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When we use the terms "Silver Bull," "we," "us," or "our," we are referring to Silver Bull Resources, Inc. and its subsidiaries, unless the context otherwise requires. We have included technical terms important to an understanding of our business under "Glossary of Common Terms" at the end of this section. Throughout this document we make statements that are classified as "forward-looking." Please refer to the "Cautionary Statement Regarding Forward-Looking Statements" section of this document for an explanation of these types of assertions.

Cautionary Statement Regarding Forward-Looking Statements

This Annual Report on Form 10-K includes certain statements that may be deemed to be "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the United States Private Securities Litigation Reform Act of 1995, and "forward-looking information" within the meaning of applicable Canadian securities legislation. We use words such as "anticipate," "continue," "likely," "estimate," "expect," "may," "will," "projection," "should "potential," "could," or similar words suggesting future outcomes (including negative and grammatical variations) to identify forward-looking statements. These statements include, among other things, our planned activities at the Sierra Mojada Project in 2015, continuing to progress in securing additional surface rights, internally remodeling the zinc resource and the potential for a standalone zinc project, internally studying a smaller silver open pit, the timing and scope of our exploration activities, the projections and estimates set forth in the PEA Technical Report and our proposed capital and operating budgets for the Sierra Mojada Project and general and administrative expenses.

These statements are based on certain assumptions and analyses made by us in light of our experience and our perception of historical trends, current conditions, expected future developments and other factors we believe are appropriate in the circumstances. Such statements are subject to a number of assumptions, risks and uncertainties and our actual results could differ from those express or implied in these forward-looking statements as a result of the factors described under "Risk Factors" in this Annual Report on Form 10-K, including:

- Results of future exploration at our Sierra Mojada Project;
- Our ability to raise necessary capital to conduct our exploration activities, and do so on acceptable terms;
- Worldwide economic and political events affecting the market prices for silver, gold, zinc, lead, copper, manganese and other minerals that may be found on our exploration properties;
- The amount and nature of future capital and exploration expenditures;
- Competitive factors, including exploration-related competition;
- Our inability to obtain required permits;
- Timing of receipt and maintenance of government approvals;
- Unanticipated title issues;
- Changes in tax laws;
- Changes in regulatory frameworks or regulations affecting our activities;
- Our ability to retain key management and consultants and experts necessary to successfully operate and grow our business; and

- Political and economic instability in Mexico and other countries in which we conduct our business, and future potential actions of the governments in such countries with respect to nationalization of natural resources or other changes in mining or taxation policies.

These factors are not intended to represent a complete list of the general or specific factors that could affect us.

All forward-looking statements speak only as of the date made. All subsequent written and oral forward-looking statements attributable to us, or persons acting on our behalf, are expressly qualified in their entirety by the cautionary statements. Except as required by law, we undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date on which it is made or to reflect the occurrence of anticipated or unanticipated events or circumstances. You should not place undue reliance on these forward-looking statements.

Cautionary Note Regarding Exploration Stage Companies

We are an exploration stage company and do not currently have any known reserves and cannot be expected to have known reserves unless and until a feasibility study is completed for the Sierra Mojada concessions that shows proven and probable reserves. There can be no assurance that our concessions contain proven and probable reserves and investors may lose their entire investment. See "Risk Factors."

Glossary of Common Terms

The following terms are used throughout this Annual Report on Form 10-K.

Concession	A grant of a tract of land made by a government or other controlling authority in return for stipulated services or a promise that the land will be used for a specific purpose.
Exploration Stage	A prospect that is not yet in either the development or production stage.
Feasibility Study	An engineering study designed to define the technical, economic, and legal viability of a mining project with a high degree of reliability.
Formation	A distinct layer of sedimentary rock of similar composition.
Mineralized Material	Mineral bearing material such as zinc, silver, gold, lead or copper that has been physically delineated by one or more of a number of methods including drilling, underground work, surface trenching and other types of sampling. This material has been found to contain a sufficient amount of mineralization of an average grade of metal or metals to have economic potential that warrants further exploration evaluation. While this material is not currently or may never be classified as reserves, it is reported as mineralized material only if the potential exists for reclassification into the reserves category. This material cannot be classified in the reserves category until final technical, economic and legal factors have been determined. Under the U.S. Securities and Exchange Commission's standards, a mineral deposit does not qualify as a reserve unless the recoveries from the deposit are expected to be sufficient to recover total cash and non-cash costs for the mine and related facilities and make a profit.
Mining	The process of extraction and beneficiation of mineral reserves to produce a marketable metal or mineral product. Exploration continues during the mining process and, in many cases, mineral reserves are expanded during the life of the mine operations as the exploration potential of the deposit is realized.
Ore, Ore Reserve, or Mineable Ore	The part of a mineral deposit which could be economically and legally extracted or produced at the time of the reserve determination.

Body

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Reserves	Estimated remaining quantities of mineral deposit and related substances anticipated to be recoverable from known accumulations, from a given date forward, based on: (a) analysis of drilling, geological, geophysical and engineering data; (b) the use of established technology; (c) specified economic conditions, which are generally accepted as being reasonable, and which are disclosed; and (d) permitted and financed for development
Resources	Those quantities of mineral deposit estimated to exist originally in naturally occurring accumulations. Resources are, therefore, those quantities estimated on a particular date to be remaining in known accumulations plus those quantities already produced from known accumulations plus those quantities in accumulations yet to be discovered. Resources are divided into: (a) discovered resources, which are limited to known accumulations; and (b) undiscovered resources.
Tonne	A metric ton which is equivalent to 2,204.6 pounds.

PART I

Items 1 and 2. BUSINESS AND PROPERTIES

Overview and Corporate Structure

Silver Bull Resources, Inc. was incorporated in the State of Nevada on November 8, 1993 as the Cadgie Company for the purpose of acquiring and developing mineral properties. The Cadgie Company was a spin-off from its predecessor, Precious Metal Mines, Inc. On June 28, 1996, our name was changed to Metalline Mining Company ("Metalline"). On April 21, 2011, we changed our name to Silver Bull Resources, Inc. We have not realized any revenues from our planned operations and we are considered an Exploration Stage Company. We have not established any reserves with respect to our exploration projects, and may never enter into the development with respect to any of our projects.

We engage in the business of mineral exploration. We currently own or have the option to acquire a number of property concessions in Mexico within a mining district known as the Sierra Mojada District, located in the west-central part of the state of Coahuila, Mexico. We conduct our operations in Mexico through our wholly-owned subsidiary corporations, Minera Metalin S.A. de C.V. ("Minera Metalin") and Contratistas de Sierra Mojada S.A. de C.V. ("Contratistas") and through Minera Metalin's wholly-owned subsidiary Minas de Coahuila SBR S.A. de C.V ("Minas").

In April 2010, Metalline Mining Delaware, Inc., our wholly-owned subsidiary, was merged with and into Dome Ventures Corporation ("Dome"). As a result, Dome became a wholly-owned subsidiary of Silver Bull. Dome has a wholly-owned subsidiary, Dome Asia Inc. ("Dome Asia"), which is incorporated in the British Virgin Islands. Dome Asia has a wholly-owned subsidiary incorporated in Gabon, African Resources SARL Gabon ("African Resources"), as well as a 99.99%-owned subsidiary, Dome Minerals Nigeria Limited, incorporated in Nigeria. In January 2015 we completed the sale of our subsidiary Dome International Global Inc. ("Dome International") including Dome International's wholly-owned subsidiary Dome Ventures SARL Gabon ("Dome Gabon") which held the Ndjole Prospect in Gabon.

Our efforts have been concentrated in expenditures related to exploration properties, principally in the Sierra Mojada Property located in Coahuila, Mexico. We have not determined whether the exploration properties contain ore reserves that are economically recoverable. The ultimate realization of our investment in exploration properties is dependent upon the success of future property sales, the existence of economically recoverable reserves, our ability to obtain financing or make other arrangements for exploration, development and future profitable production activities. The ultimate realization of our investment in exploration properties cannot be determined at this time. Accordingly, no provision for any asset impairment that may result, in the event we are not successful in developing or selling these properties, has been made in the accompanying consolidated financial statements, except as disclosed in Notes 3 and 6.

Sierra Mojada Project

Location, Access and Infrastructure

The Sierra Mojada project is located within a mining district known as the Sierra Mojada District. The Sierra Mojada District is located in the west central part of the state of Coahuila, Mexico, near the Coahuila-Chihuahua state border approximately 200 kilometers south of the Big Bend of the Rio Grande River. The principal mining area extends for approximately 5 kilometers in an east-west direction along the base of the precipitous, 1,000 meter high, Sierra Mojada Range.

The Sierra Mojada project site is situated to the south of the village of Esmeralda, on the northern side of a major escarpment that forms the northern margin of the Sierra Mojada range. In general, the site is approximately 1,500 meters above sea level. The project is accessible by paved road from the city of Torreon, Coahuila, which lies approximately 250 kilometers to the southwest. Esmerelda is served by a rail spur of the Coahuila Durango railroad. There is an airstrip east of Esmeralda, although its availability is limited, and another airstrip at the nearby Penoles plant, which we can use occasionally. The Sierra Mojada District has high voltage electric power supplied by the national power company, Comision Federal de Electricidad, C.F.E., and is supplied water by the municipality of Sierra Mojada. Although power levels are sufficient for current operations and exploration, future development of the project, if any, may require additional power supplies to be sourced.

Our facilities in Mexico include offices, residences, shops, warehouse buildings and exploration equipment located at Calle Mina #1, La Esmeralda, Coahuila, Mexico.

The map below shows the location of the Sierra Mojada project:

Property History

Silver and lead were first discovered by a foraging party in 1879, and mining to 1886 consisted of native silver, silver chloride, and lead carbonate ores. After 1886, silver-lead-zinc-copper sulphate ores within limestone and sandstone units were produced. No accurate production history has been found for historical mining during this period.

Approximately 90 years ago, zinc silicate and zinc carbonate minerals ("Zinc Manto Zone") were discovered underlying the silver-lead mineralized horizon. The Zinc Manto Zone is predominantly zinc dominated, but with subordinate lead – rich manto and is principally situated in the footwall rocks of the Sierra Mojada Fault System. Since discovery and up to 1990, zinc, silver, and lead ores were mined from various mines along the strike of the deposit including from the Sierra Mojada Property. Ores mined from within these areas were hand-sorted, and the concentrate shipped mostly to smelters in the United States.

Activity during the period of 1956 to 1990 consisted of operations by the Mineros Norteños Cooperativa and operations by individual owners and operators of pre-existing mines. The Mineros Norteños operated the San Salvador, Encantada, Fronteriza, Esmeralda, and Parrena mines, and shipped oxide zinc ore to Zinc National's smelter in Monterrey, while copper and silver ore were shipped to smelters in Mexico and the United States.

We estimate that over 45 mines have produced ore from underground workings throughout the approximately five kilometers by two kilometer area that comprises the Sierra Mojada District. We estimate that since its discovery in 1879, the Sierra Mojada District has produced approximately 10 million tons of silver, zinc, lead and copper ore. The District does not have a mill to concentrate ore and all mining conducted thus far has been limited to selectively mined ore of sufficient grade to direct ship to smelters. We believe that mill-grade mineralization that was not mined remains available for extraction. No mining operations are currently active within the area of the Sierra Mojada District, except for a dolomite quarry by Peñoles near Esmeralda.

In the 1990's, Kennecott Copper Corporation ("Kennecott") had a joint venture agreement involving USMX's Sierra Mojada concessions. Kennecott terminated the joint venture in approximately 1995. We entered into a Joint Exploration and Development Agreement with USMX in July 1996 involving USMX's Sierra Mojada concessions. In 1998, we purchased the Sierra Mojada and the USMX concessions and the Joint Exploration and Development Agreement was terminated. We also purchased certain other concessions during this time and conducted exploration for copper and silver mineralization from 1997 through 1999.

Title and Ownership Rights

The Sierra Mojada Project is comprised of 31 concessions consisting of 20,946 hectares (about 51,758 acres). We periodically obtain additional concessions in the Sierra Mojada Project area and whether we will continue to hold these additional concessions will depend on future exploration work and exploration results and our ability to obtain financing. As we have done in prior years, we continually assess our concession ownership and in 2014 we terminated our rights to certain concessions holdings not in the core area of the Sierra Mojada Project and three concessions in the core area of the Sierra Mojada Project which we did not consider to be material to the PEA Technical Report described in the Preliminary Economic Assessment Technical Report section.

Two of the concessions in the Sierra Mojada project are subject to options to purchase from existing third party concession owners. During 2014 we terminated an option agreement covering three concessions. We also modified the terms of the remaining option agreement to defer certain option payments. If exploration results warrant, we intend to make the payments described below. Pursuant to the option purchase agreement, we are required to make certain payments over the terms of this contract to obtain full ownership of these concessions as set forth in the table below:

Nuevo Dulces Nombres (Centenario) and Yolanda III (2 concessions)	
Payment Date	Payment Amount(1)(2)
May 2015	$30,000
Monthly payment beginning August 2016 and ending July 2018	$20,000 per month

(1) Until July 2018, we have the option of acquiring Nuevo Dulces Nombres (100% interest) for $4 million and Yolanda III (100% interest) for $2 million plus a lump sum payment equal to any remaining monthly payments.
(2) If a change of control of Silver Bull occurs prior to May 30, 2016 we are required to make a payment of $200,000 within 20 days of the change of control.

Each mining concession enables us to explore the underlying concession in consideration for the payment of a semi-annual fee to the Mexican government and completion of certain annual assessment work. Annual assessment work in excess of statutory annual requirements can be carried forward and applied to future periods.

Ownership of a concession provides the owner with exclusive exploration and exploitation rights to all minerals located on the concessions, but does not include the surface rights to the real property. Therefore, we will need to negotiate any necessary agreements with the appropriate surface landowners if we determine that a mining operation is feasible for the concessions. We own surface rights to five lots in the Sierra Mojada Property (Sierra Mojada lot #1, #3, #4, #6 and #7), but anticipate that we will be required to obtain additional surface rights if we determine that a mining operation is feasible.

Geology and Mineralization

The Sierra Mojada concessions contain a mineral system which can be separated into two distinct zones: The “Silver Zone” and the “Zinc Zone.” These two zones lie along the Sierra Mojada Fault which trends east-west along the base of the Sierra Mojada range. All of the mineralization identified to date is seen as oxide, which has been derived from primary “sulphide” bodies which have been oxidized and remained in situ or remobilized into porous and fractured rock along the Sierra Mojada Fault. The formation of a silver rich zone (the Silver Zone) and a zinc rich zone (the Zinc Zone) is a reflection of the mobility’s of the metals in the ground water conditions at Sierra Mojada.

The geology of the District is composed of a Cretaceous limestone and dolomite sequence sitting on top of the Jurassic “San Marcos” red sediments. This sedimentary sequence has then later been intruded by Tertiary volcanics, which are considered to be responsible for the mineralization seen at Sierra Mojada. Historical mines are dry and the rocks are competent for the most part. The thickness and attitude of the mineralized material could potentially be amenable to high volume mechanized mining methods and low cost production.

Preliminary Economic Assessment Technical Report

On December 19, 2013, JDS Energy & Mining Inc. ("JDS") delivered Silver Bull's amended initial Preliminary Economic Assessment (the "PEA Technical Report") on the silver and zinc mineralization for the Sierra Mojada Project in accordance with Canadian National Instrument 43-101 ("NI 43-101"). The PEA Technical Report includes an update on the silver and zinc mineralization, which was estimated from 1,372 diamond drill holes, 25 reverse circulation drill holes, 9,025 channel samples and 2,345 long holes. At a cutoff grade of 25 grams/tonne of silver for mineralized material, the PEA Technical Report indicates mineralized material of 71.1 million tonnes at an average silver grade of 71.5 grams/tonne silver and an average zinc percentage of 1.34%. Mineralized material estimates do not include any amounts categorized as inferred resources. The PEA Technical Report included a preliminary assessment of capital costs, mine plan, processing and projected operating costs of a possible future mine at the Sierra Mojada Project. We believe the results of the PEA Technical Report, although preliminary in nature, were encouraging and show that the Sierra Mojada Project has the potential to continue to advance.

"Mineralized material" as used in this Annual Report on Form 10-K, although permissible under the Securities and Exchange Commission's ("SEC's") Industry Guide 7, does not indicate "reserves" by SEC standards. We cannot be certain that any part of the Sierra Mojada Project will ever be confirmed or converted into SEC Industry Guide 7 compliant "reserves." Investors are cautioned not to assume that all or any part of the mineralized material will ever be confirmed or converted into reserves or that mineralized material can be economically or legally extracted.

Sampling, Analysis, Quality Control and Security

Our activities conform to mining industry standard practices and follow the Best Practices Guidelines of the Canadian Institute of Mining, Metallurgy, and Petroleum (CIM). Sampling is directed and supervised by trained and experienced geologists. Drill core and other samples are processed and logged using industry standard methods. Standard samples, duplicates and blanks are periodically entered into the stream of samples submitted for assays, and campaigns of re-sampling and duplicate analyses and round-robin inter-laboratory validations are conducted periodically. We use ALS Chemex - Vancouver ("ALS Chemex") laboratory as our independent primary laboratory. ALS Chemex is ISO 9001:2000 certified. All analytical results that are used in resource models are exclusively from the independent primary laboratory.

Our consultants perform technical audits of our operations, including our formal QA/QC program, and recommend improvements as needed. A systematic program of duplicate sampling and assaying of representative samples from previous exploration activities was completed in 2010 under the direction and control of our consultants. Results of this study acceptably confirm the values in the project database used for resource modeling.

We formerly operated a sample preparation and an analytical laboratory at the project that prepared samples for shipment, performed QA/QC analyses to ensure against cross contamination of samples during preparation and removed most low-value samples from the flow to the primary laboratory. For both cost and perception reasons, the internal laboratory has been shut down, and all drill samples are submitted directly to ALS Chemex for sample preparation and analyses.

Prior Exploration Activities

We have focused our exploration efforts on two primary locations: the Silver Zone and the Zinc Zone. As further described below, we have conducted various exploration activities at the Sierra Mojada Project, however, to date, we have not established any reserves, and the project remains in the exploration state and may never enter the development stage.

Prior to 2008, exploration efforts largely focused on the Zinc Zone with surface and underground drilling. In 2008 Pincock, Allen, & Holt ("PAH") published a resource report on the Zinc Zone. In fiscal year 2009, we scaled back our exploration activities and administrative costs to conserve capital while we tried to secure additional sources of capital.

After closing the transaction with Dome in April 2010, we focused our exploration activities at Sierra Mojada on the Silver Zone which lies largely at surface. By the end of calendar 2013, approximately 100,000 meters of diamond drilling from surface and 10,000 meters of underground drilling had been completed.

The silver contained within the Silver Zone is seen primarily as silver halide minerals. The zinc contained within the Zinc Zone is contained mostly in the mineral hemimorphite and, to a lesser amount, in the mineral smithsonite.

2014 Exploration Activities

Our focus for 2014 was the completion of the PEA Technical Report, continued metallurgical work and geological mapping. In December 2013, the PEA Technical Report was completed, together with an updated estimate on the silver and zinc mineralization. We also continued to progress our metallurgical program, as described below.

2015 Exploration Program

As discussed in the “Material Changes in Financial Condition, Liquidity and Capital Resources” section below we have approved a calendar year 2015 budget of $0.7 million for the Sierra Mojada Property. The focus of the 2015 calendar year program is continuing to progress in securing additional surface rights, maintenance of our property concessions, internally remodeling the zinc resource and the potential for a standalone zinc project and internally studying a smaller silver open pit as discussed below.

During 2015 we intend to internally investigate the potential for a high grade underground zinc oxide mine. To this purpose we are completing an internal remodeling of the zinc resource, much of which was not included in the resource outlined in the PEA Technical Report.

We also intend to do an internal examination on the potential for a smaller silver open pit than the one proposed in the PEA Technical Report. The focus will be to target the "at-surface" silver mineralization with a smaller project. Although a smaller project would produce fewer ounces than proposed in the PEA Technical Report, the low strip and smaller plant would be expected to significantly reduce the overall capital costs needed to put the project into production.

During 2015, and subject to market favorable conditions, we intend to examine the potential for fuming high grade zinc. Previous test work completed by Hazen Research Inc. at the request of us in 2012 focused on roasting the zinc ore in a rotary kiln to fume off the zinc and collect it as a zinc oxide concentrate. Recoveries of up to 98% of the zinc were recorded.

The roasting of the zinc samples aims to simulate a "Waelz Kiln", a kiln which is used extensively to recycle zinc from steel dust and which regularly achieves recoveries in excess of 90%. In considering this process, the zinc mineralization at Sierra Mojada has a number of possible advantages: It lies in the state of Coahuila which is the largest coal producing state in Mexico, and it has an existing gas pipeline nearby which may be able to be extended to the project (as contemplated in the PEA Technical Report). Either option could provide the fuel to run the kiln. The project also has a functioning railway right to site to potentially allow for transport of coal to the site and of the zinc concentrate from the site.

Metallurgical Studies

In addition we previously conducted a metallurgical program to test the recovery of the silver mineralization using the agitation cyanide leach method and recovery of the zinc mineralization using the SART process (sulfidization, acidification, recycling, and thickening). The test work on the silver zone focused on cyanide leach recovery of the silver using “Bottle Roll” tests to simulate an agitation leach system and to determine the recovery of low grade zinc that occurs in the silver zone and high grade zinc from the zinc zone that had been blended with mineralization from the silver zone to the leach solution. The silver was recovered from the cyanide leach solution using the Merrill Crowe technique and the zinc was recovered from the leach solution using the SART process. The SART Process is a metallurgical process that regenerates and recycles the cyanide used in the leaching process of the silver and zinc and allows for the recovery of zinc that has been leached by the cyanide solution. The results showed an overall average silver recovery of 73.2% with peak values of 89.0% and an overall average zinc recovery of 44% in the silver zone.

Gabon, Africa Licenses and Interests

On December 13, 2013, we entered into a binding letter of agreement, and on May 21, 2014 we executed a share purchase agreement (the “Transaction”) with BHK Mining Corp. (formerly BHK Resources, Inc.) (“BHK”) to sell all of the issued and outstanding securities of our former subsidiary, Dome International, which holds, indirectly, a 100% interest in and to the Ndjole manganese and gold license through its wholly-owned subsidiary, Dome Gabon, for cash consideration of $1,500,000 and reimbursement of our expenses of $75,000. In addition, we hold the Mitzic exploration license in Gabon whose recoverability is highly uncertain.

Executive Officers of Silver Bull Resources

We have three executive officers: (1) a Chairman, (2) a President and Chief Executive Officer and (3) a Chief Financial Officer. Set forth below is information regarding our executive officers.

Name and Residence	Age	Position
Brian Edgar Vancouver, BC	65	Chairman
Tim Barry Vancouver, BC	39	President, Chief Executive Officer and Director
Sean Fallis Vancouver, BC	35	Chief Financial Officer

Brian Edgar. Mr. Edgar was appointed Chairman of the Board of Directors in April 2010. Mr. Edgar has broad experience working in junior and mid-size natural resource companies. He previously served as Dome's President and Chief Executive Officer from February 2005 until it was acquired by Silver Bull in April 2010. Further, Mr. Edgar served on Dome's Board of Directors from 1998 to 2010. Mr. Edgar currently serves as a director of BlackPearl Resources Inc., Denison Mines Corp., Lucara Diamond Corp., Lundin Mining Corporation, and ShaMaran Petroleum Corp. Mr. Edgar practiced corporate/securities law in Vancouver, British Columbia, Canada for sixteen years.

Tim Barry. Mr. Barry has served as a director, President and Chief Executive Officer of Silver Bull since March 2011. From August 2010 to March 2011, he served as our Vice President - Exploration. Between 2006 and August 2010, Mr. Barry spent 5 years working as Chief Geologist in West and Central Africa for Dome. During this time, he managed all aspects of Dome’s exploration programs, as well as oversaw corporate compliance for Dome’s various subsidiaries. Mr. Barry also served on Dome’s board of directors. In 2005, he worked as a project geologist in Mongolia for Entree Gold, a company that has a significant stake in the Oyu Tolgoi mine in Mongolia. Between 1998 and 2005, Mr. Barry worked as an exploration geologist for Ross River Minerals on its El Pulpo copper/gold project in Sinaloa, Mexico, for Canabrava Diamonds on its exploration programs in the James Bay lowlands in Ontario, Canada, and for Homestake on its Plutonic Gold Mine in Western Australia. He has also worked as a mapping geologist for the Geological Survey of Canada in the Coast Mountains, and as a research assistant at the University of British Columbia, where he examined the potential of CO_2 sequestration in Canada using ultramafic rocks. Mr. Barry received a bachelor of science from the University of Otago in Dundein, New Zealand and is a registered geologist (CPAusIMM). He also serves on the board of directors of Acme Resources, a junior exploration company listed on the Toronto Stock Exchange.

Sean Fallis. Mr. Fallis was appointed Chief Financial Officer in April 2011. From February 2011 to April 2011, he served as our Vice President - Finance. From July 2008 to February 2011, Mr. Fallis served as the Corporate Controller for Rusoro Mining Ltd. Prior to working at Rusoro Mining Ltd, he worked at PricewaterhouseCoopers as an Audit Senior Associate from January 2007 to June 2008, where he worked with both Canadian and U.S. publicly-listed companies in the audit and assurance practice. At PricewaterhouseCoopers, Mr. Fallis focused on clients in the mining industry. Further, he worked at SmytheRatcliffe Chartered Accountants as a staff accountant from September 2004 to December 2006. Mr. Fallis received a bachelor of science from Simon Fraser University in 2002 and is a Chartered Accountant.

Competition and Mineral Prices

Mineral Prices

Silver and zinc are commodities, and their prices are volatile. From January 1, 2014 to December 31, 2014 the price of silver ranged from a low of $15.28 per troy ounce to a high of $22.05 per troy ounce, and from January 1, 2014 to

December 31, 2014 the price of zinc ranged from a low of $2,008 per tonne to a high of $2,327 per tonne. Silver and zinc prices are affected by many factors beyond our control, including prevailing interest rates and returns on other asset classes, expectations regarding inflation, speculation, currency values, governmental decisions regarding the disposal of precious metals stockpiles, global and regional demand and production, political and economic conditions and other factors. The competitive nature of the business and the risks with which we are therefore faced are discussed further in the item entitled “Risk Factors,” below.

The following tables set forth, for the periods indicated, on the London Metal Exchange, high and low silver and zinc prices in U.S. dollars per troy ounce and per tonne, respectively. On October 31, 2014, the closing price of silver was $16.20 per troy ounce. On October 31, 2014, the closing price of zinc was $2,277 per tonne.

	Silver (per troy ounce)	
Year	High	Low
2007	$15.82	$11.67
2008	$20.92	$8.88
2009	$19.18	$10.51
2010	$30.70	$15.14
2011	$48.70	$26.16
2012	$37.23	$26.67
2013	$32.23	$18.61
2014	$22.05	$15.28

	Zinc (per tonne)	
Year	High	Low
2007	$3,848	$2,379
2008	$2,511	$1,113
2009	$2,374	$1,118
2010	$2,414	$1,746
2011	$2,473	$1,871
2012	$2,040	$1,816
2013	$2,129	$1,831
2014	$2,327	$2,008

Competition

Our industry is highly competitive. We compete with other mining and exploration companies in connection with the acquisition and exploration of mineral properties. There is competition for a limited number of mineral property acquisition opportunities, some of which is with other companies having substantially greater financial resources, staff and facilities than we do. As a result, we may have difficulty acquiring attractive exploration properties, staking claims related to our properties and exploring properties. Our competitive position depends upon our ability to successfully and economically acquire and explore new and existing mineral properties.

Government Regulation

Mineral exploration activities are subject to various national, state/provincial, and local laws and regulations, which govern prospecting, development, mining, production, exports, taxes, labor standards, occupational health, waste disposal, protection of the environment, mine safety, hazardous substances and other matters. Similarly, if any of our properties are developed and/or mined, those activities are also subject to significant governmental regulation and oversight. We will obtain the licenses, permits or other authorizations currently required to conduct our exploration program. We believe that we are in compliance in all material respects with applicable mining, health, safety and environmental statutes and the regulations applicable to the mineral interests we now hold in Mexico and Gabon.

Environment Regulations

Our activities are subject to various national and local laws and regulations governing protection of the environment. These laws are continually changing and, in general, are becoming more restrictive. We intend to conduct business in a way that safeguards public health and the environment. We will conduct our operational compliance with applicable laws and regulations.

Changes to current state or federal laws and regulations in Mexico and Gabon could, in the future, require additional capital expenditures and increased operating and/or reclamation costs. Although we are unable to predict what additional legislation, if any, might be proposed or enacted, additional regulatory requirements could impact the economics of our projects.

During fiscal year 2014, we had no material environmental incidents or non-compliance with any applicable environmental regulations.

Employees

We have three employees, of which, all are full time. Contratistas, our wholly-owned operating subsidiary in Mexico currently has nine employees who are all full time. Minera, our mineral holding company in Mexico, does not have any employees.

Corporate Offices

Our corporate offices are located at 925 West Georgia Street, Suite 1908, Vancouver, British Columbia, Canada V6C 3L2. Our telephone number is (604) 687-5800, and our fax number is (604) 563-6004.

Available Information

We maintain an internet website at http://www.silverbullresources.com. The information on our website is not incorporated by reference in this Annual Report on Form 10-K. We make available on or through our website certain reports and amendments to those reports that we file with or furnish to the SEC in accordance with the Exchange Act.

Alternatively, you may read and copy any information we file with the SEC at its public reference room at 100 “F” Street NE, Washington, D.C. 20549. You may obtain information about the operation of the public reference room by calling 1-800-SEC-0330. You may also obtain this information from the SEC’s website, http://www.sec.gov.

Item 1A. RISK FACTORS

A purchase of our securities involves a high degree of risk. Our business, operating or financial condition could be harmed due to any of the following risks. Accordingly, investors should carefully consider these risks in making a decision as to whether to purchase, sell or hold our securities. In addition, investors should note that the risks described below are not the only risks facing us. Additional risks not presently known to us, or risks that do not seem significant today, may also impair our business operations in the future. You should carefully consider the risks described below, as well as the other information contained in this Annual Report on Form 10-K and the documents incorporated by reference herein, before making a decision to invest in our securities.

RISKS RELATED TO OUR BUSINESS:

We may have difficulty meeting our current and future capital requirements.

Our management and our board of directors monitor our overall costs and expenses and, if necessary, adjust our programs and planned expenditures in an attempt to ensure we have sufficient operating capital. We continue to evaluate our costs and planned expenditures for our on-going exploration efforts at our Sierra Mojada Project. As of October 31, 2014, we had working capital of $2.9 million including $1.3 million of assets of discontinued operations held for sale and cash and cash equivalents of $1.9 million. The continued exploration and possible development of the Sierra Mojada Project will require significant amounts of additional capital. If we are unable to fund future operations by way of financing, including public or private offerings of equity or debt securities, we will need to significantly reduce operations, which will result in an adverse impact on our business, financial condition and exploration activities. See Note 1 to our Consolidated Financial Statements included in this Annual Report on Form 10-K. We do not have a credit, off-take or other commercial financing arrangement in place that would finance continued evaluation or development of the Sierra Mojada Project and we believe that securing credit for these projects may be difficult due to continuing volatility in global credit markets. Moreover, equity financing may not be available on attractive terms and if available, will likely result in significant dilution to existing shareholders.

We are an exploration stage mining company with no history of operations.

We are an exploration stage enterprise engaged in mineral exploration, primarily in Mexico. We have a very limited operating history and are subject to all the risks inherent in a new business enterprise. As an exploration stage company, we may never enter the development and production stages. To date we have had no revenues and have relied upon equity financing to fund our operations. The likelihood of our success must be considered in light of the problems, expenses, difficulties, complications, and delays frequently encountered in connection with an exploration stage business, and the competitive and regulatory environment in which we operate and will operate, such as under-capitalization, personnel limitations, and limited financing sources.

We have no commercially mineable ore body.

No commercially mineable ore body has been delineated on our Sierra Mojada Project or on our exploration license in Gabon, Africa, nor have our properties been shown to contain proven or probable mineral reserves. The PEA Technical Report on our Sierra Mojada Project was preliminary in nature and investors should not assume that the projections contained therein will ever be realized. We cannot assure you that any mineral deposits we identify on the Sierra Mojada Project, in Gabon or on another property will qualify as an ore body that can be legally and economically exploited or that any particular level of recovery of silver or other minerals from discovered mineralization will in fact be realized. Most exploration projects do not result in the discovery of commercially mineable ore deposits. Even if the presence of reserves is established at a project, the legal and economic viability of the project may not justify exploitation.

Mineral resource estimates may not be reliable.

There are numerous uncertainties inherent in estimating quantities of mineralized material such as silver, zinc, lead, and gold, including many factors beyond our control, and no assurance can be given that the recovery of mineralized material will be realized. In general, estimates of mineralized material are based upon a number of factors and assumptions made as of the date on which the estimates were determined, including:

- geological and engineering estimates that have inherent uncertainties and the assumed effects of regulation by governmental agencies;

- the judgment of the engineers preparing the estimate;

- estimates of future metals prices and operating costs;

· the quality and quantity of available data;

· the interpretation of that data; and

· the accuracy of various mandated economic assumptions, all of which may vary considerably from actual results.

All estimates are, to some degree, uncertain. For these reasons, estimates of the recoverable mineral resources prepared by different engineers or by the same engineers at different times, may vary substantially. As such, there is significant uncertainty in any mineralized material estimate and actual deposits encountered and the economic viability of a deposit may differ materially from our estimates.

Our business plan is highly speculative, and its success largely depends on the successful exploration of our Sierra Mojada concessions.

Although we hold an exploration license in Gabon, our business plan is focused on exploring the Sierra Mojada concessions to identify reserves, and if appropriate, to ultimately develop this property. Further, although we have reported mineralized material on our Sierra Mojada Project, we have not established any reserves and remain in the exploration stage. We may never enter the development or production stage. Exploration of mineralization and determination of whether the mineralization might be extracted profitably is highly speculative, and it may take a number of years until production is possible, during which time the economic viability of the project may change. Substantial expenditures are required to establish reserves, extract metals from ore and to construct mining and processing facilities.

The Sierra Mojada Project is subject to all of the risks inherent in mineral exploration and development. The economic feasibility of any mineral exploration and/or development project is based upon, among other things, estimates of the size and grade of mineral reserves, proximity to infrastructures and other resources (such as water and power), anticipated production rates, capital and operating costs, and metals prices. To advance from an exploration project to a development project, we will need to overcome various hurdles, including the completion of favorable feasibility studies, issuance of necessary permits, and the ability to raise significant further capital to fund activities. There can be no assurance that we will be successful in overcoming these risks. Because of our focus on the Sierra Mojada Project, the success of our operations and our profitability may be disproportionately exposed to the impact of adverse conditions unique to the Torreon, Mexico region, as the Sierra Mojada Project is located 250 kilometers north of this area.

Due to our history of operating losses, we are uncertain that we will be able to maintain sufficient cash to accomplish our business objectives.

During the years ended October 31, 2014 and October 31, 2013, we suffered net losses of $4,914,251 and $7,466,580 respectively. At October 31, 2014, we had stockholders' equity of $27,368,957 and working capital of $2,947,144 including $1,281,518 of assets of discontinued operations held for sale and $8,894 of liabilities of discontinued operations held for sale. Significant amounts of capital will be required to continue to explore and potentially develop the Sierra Mojada concessions. We are not engaged in any revenue producing activities, and we do not expect to be in the near future. Currently, our sources of funding consist of the sale of additional equity securities, entering into joint venture agreements or selling a portion of our interests in our assets. There is no assurance that any additional capital that we will require will be obtainable on terms acceptable to us, if at all. Failure to obtain such additional financing could result in delays or indefinite postponement of further exploration of our projects. Additional financing, if available, will likely result in substantial dilution to existing stockholders.

Our exploration activities require significant amounts of capital that may not be recovered.

Mineral exploration activities are subject to many risks, including the risk that no commercially productive or extractable resources will be encountered. There can be no assurance that our activities will ultimately lead to an economically feasible project or that we will recover all or any portion of our investment. Mineral exploration often involves unprofitable efforts, including drilling operations that ultimately do not further our exploration efforts. The cost of minerals exploration is often uncertain and cost overruns are common. Our drilling and exploration operations may be curtailed, delayed or canceled as a result of numerous factors, many of which are beyond our control, including title problems, weather conditions, compliance with governmental requirements, including permitting issues, and shortages or delays in the delivery of equipment and services.

Our financial condition could be adversely affected by changes in currency exchange rates, especially between the U.S. dollar and the Mexican peso given our focus on the Sierra, Mojada Project.

Our financial condition is affected in part by currency exchange rates, as portions of our exploration costs in Mexico and Gabon are denominated in the local currency. A weakening U.S. dollar relative to the Mexican peso will have the effect of increasing exploration costs while a strengthening U.S. dollar will have the effect of reducing exploration costs. The Gabon local currency is tied to the Euro. Some of our exploration activities in Mexico are tied to the peso. The exchange rates between the Euro and the U.S. dollar and between the peso and U.S. dollar have fluctuated widely in response to international political conditions, general economic conditions and other factors beyond our control. We seek to mitigate exposure to foreign currency fluctuations by holding a majority of our cash balances in U.S. dollars.

THE BUSINESS OF MINERAL EXPLORATION IS SUBJECT TO MANY RISKS:

There are inherent risks in the mineral exploration industry

We are subject to all of the risks inherent in the minerals exploration industry including, without limitation, the following:

- we are subject to competition from a large number of companies, many of which are significantly larger than we are, in the acquisition, exploration, and development of mining properties;
- we might not be able raise enough money to pay the fees and taxes and perform the labor necessary to maintain our concessions in good force;
- exploration for minerals is highly speculative and involves substantial risks and is frequently un-productive, even when conducted on properties known to contain significant quantities of mineralization, and our exploration projects may not result in the discovery of commercially mineable deposits of ore;
- the probability of an individual prospect ever having reserves that meet the requirements for reporting under SEC Industry Guide 7 is remote and any funds spent on exploration may be lost;
- our operations are subject to a variety of existing laws and regulations relating to exploration and development, permitting procedures, safety precautions, property reclamation, employee health and safety, air quality standards, pollution and other environmental protection controls and we may not be able to comply with these regulations and controls; and
- a large number of factors beyond our control, including fluctuations in metal prices, inflation, and other economic conditions, will affect the economic feasibility of mining.

Metals prices are subject to extreme fluctuation.

Our activities are influenced by the prices of commodities, including silver, zinc, lead, gold, manganese and other metals. These prices fluctuate widely and are affected by numerous factors beyond our control, including interest rates, expectations for inflation, speculation, currency values (in particular the strength of the U.S. dollar), global and regional demand, political and economic conditions and production costs in major metal producing regions of the world.

Our ability to establish reserves through our exploration activities, our future profitability and our long-term viability, depend, in large part, on the market prices of silver, zinc, lead, gold, manganese and other metals. The market prices for these metals are volatile and are affected by numerous factors beyond our control, including:

· global or regional consumption patterns;

· supply of, and demand for, silver, zinc, lead, gold, manganese and other metals;

· speculative activities and producer hedging activities;

· expectations for inflation;

· political and economic conditions; and

· supply of, and demand for, consumables required for production.

Future weakness in the global economy could increase volatility in metals prices or depress metals prices, which could in turn reduce the value of our properties, make it more difficult to raise additional capital, and make it uneconomical for us to continue our exploration activities.

There are inherent risks with foreign operations.

Our business activities are primarily conducted in Mexico, and we also hold interests in Gabon, and as such, our activities are exposed to various levels of foreign political, economic and other risks and uncertainties. These risks and uncertainties include, but are not limited to, terrorism, hostage taking, military repression, extreme fluctuations in currency exchange rates, high rates of inflation, labor unrest, the risks of war or civil unrest, expropriation and nationalization, renegotiation or nullification of existing concessions, licenses, permits, approvals and contracts, illegal mining, changes in taxation policies, restrictions on foreign exchange and repatriation, changing political conditions, currency controls and governmental regulations that favor or require the rewarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction.

Changes, if any, in mining or investment policies or shifts in political attitude in Mexico and/or Gabon may adversely affect our exploration and possible future development activities. We may also be affected in varying degrees by government regulations with respect to, but not limited to, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use and mine safety. Failure to comply strictly with applicable laws, regulations and local practices relating to mineral right applications and tenure, could result in loss, reduction or expropriation of entitlements, or the imposition of additional local or foreign parties as joint venture partners with carried or other interests.

The occurrence of these various factors and uncertainties cannot be accurately predicted and could have an adverse effect on our operations. In addition, legislation in the U.S., Canada, Mexico and/or Gabon regulating foreign trade, investment and taxation could have a material adverse effect on our financial condition.

Our Sierra Mojada Project is located in Mexico and is subject to various levels of political, economic, legal and other risks.

The Sierra Mojada Project, our primary focus, is in Mexico. In the past, Mexico has been subject to political instability, changes and uncertainties, which have resulted in changes to existing governmental regulations affecting mineral exploration and mining activities. Mexico's status as a developing country may make it more difficult for us to obtain any required financing for the Sierra Mojada Project or other projects in Mexico in the future. Our Sierra Mojada Project is also subject to a variety of governmental regulations governing health and worker safety, employment standards, waste disposal, protection of historic and archaeological sites, mine development, protection of endangered and protected species and other matters. Mexican regulators have broad authority to shut down and/or levy fines against facilities that do not comply with regulations or standards.

Our exploration activities in Mexico may be adversely affected in varying degrees by changing government regulations relating to the mining industry or shifts in political conditions that increase the costs related to the Sierra Mojada Project. Changes, if any, in mining or investment policies or shifts in political attitude may adversely affect our financial condition. Expansion of our activities will be subject to the need to obtain sufficient access to adequate supplies of water, assure the availability of sufficient power, as well as sufficient surface rights which could be affected by government policy and competing operations in the area.

We also have litigation risk with respect to our operations. In particular, in July 2014 a local cooperative named Sociedad Cooperativa de Exploración Minera Mineros Norteños, S.C.L. ("Mineros Norteños") filed an action (the "Action") against our Mexican subsidiary, Minera Metalin, claiming that we breached an agreement regarding the development of the Sierra Mojada Project. Mineros Norteños is seeking payment of a royalty, including interest at a rate of 6% per annum from August 30, 2004, notwithstanding that no revenue has been produced from the applicable mining concessions, and it is also seeking payment of wages to the cooperative's members from August 30, 2004, notwithstanding that none of the individuals were ever hired or performed work for us. Although we and our Mexican legal counsel believe this claim is without merit and have asserted all applicable defenses, we may incur costs associated with defending the claim. We have not accrued any amounts in our financial statements with respect to this claim.

The occurrence of these various factors and uncertainties cannot be accurately predicted and could have an adverse effect on our financial condition. Future changes in applicable laws and regulations or changes in their enforcement or regulatory interpretation could negatively impact current or planned exploration activities with the Sierra Mojada Project or in respect to any other projects in which we become involved in Mexico. Any failure to comply with applicable laws and regulations, even if inadvertent, could result in the interruption of exploration operations or material fines, penalties or other liabilities.

Title to our properties may be challenged or defective.

Our future operations, including our activities at the Sierra Mojada Project and other exploration activities, will require additional permits from various governmental authorities. Our operations are and will continue to be governed by laws and regulations governing prospecting, mineral exploration, exports, taxes, labor standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety, mining royalties and other matters. There can be no assurance that we will be able to acquire all required licenses, permits or property rights on reasonable terms or in a timely manner, or at all, and that such terms will not be adversely changed, that required extensions will be granted, or that the issuance of such licenses, permits or property rights will not be challenged by third parties.

We attempt to confirm the validity of our rights of title to, or contract rights with respect to, each mineral property in which we have a material interest. However, we cannot guarantee that title to our properties will not be challenged. The Sierra Mojada Property may be subject to prior unregistered agreements, interests or native land claims, and title may be affected by undetected defects. There may be valid challenges to the title of any of the claims comprising the Sierra Mojada Property that, if successful, could impair possible development and/or operations with respect to such properties in the future. Challenges to permits or property rights, whether successful or unsuccessful; changes to the terms of permits or property rights; or a failure to comply with the terms of any permits or property rights that have been obtained, could have a material adverse effect on our business by delaying or preventing or making continued operations economically unfeasible.

A title defect could result in Silver Bull losing all or a portion of its right, title, and interest to and in the properties to which the title defect relates. Title insurance generally is not available, and our ability to ensure that we have obtained secure title to individual mineral properties or mining concessions may be severely constrained. In addition, we may be unable to operate our properties as permitted or to enforce our rights with respect to our properties. We annually monitor the official land and mining records in Mexico City to determine if there are annotations indicating the existence of a legal challenge against the validity of any of our concessions. As of January, 2015 and to the best of our knowledge, there are no such annotations, nor are we aware of any challenges from the government or from third parties, except for a Court order to record the Action with the Public Registry of Mines. We do not have evidence or information as to the enforcement of this Court order to date. However based on a subsequent ruling it is unlikely that the Court order will be enforced.

In addition, in connection with the purchase of certain mining concessions, the prior management of Silver Bull agreed to pay a net royalty interest on revenue from future mineral sales on certain concessions at the Sierra Mojada Project, including concessions on which a significant portion of our mineralized material is located. The aggregate amount payable under this royalty is capped at $6.875 million, an amount that will only be reached if there is significant future production from the concessions. As noted above, this royalty is currently the subject of a dispute with a local cooperative. In addition, records from prior management indicate that additional royalty interests may have been created, although the continued applicability and scope of these interests are uncertain. The existence of these royalty interests may have a material effect on the economic feasibility of potential future development of the Sierra Mojada Project.

We are subject to complex environmental and other regulatory risks, which could expose us to significant liability and delay and, potentially, the suspension or termination of our exploration efforts.

Our mineral exploration activities are subject to federal, state and local environmental regulation in the jurisdictions where our mineral properties are located. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste. No assurance can be given that environmental standards imposed by these governments will not be changed, thereby possibly materially adversely affecting our proposed activities. Compliance with these environmental requirements may also necessitate significant capital outlays or may materially affect our earning power.

Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects, and a heightened degree of responsibility for companies and their officers, directors and employees. As a result of recent changes in environmental laws in Mexico, for example, more legal actions supported or sponsored by non-governmental groups interested in halting projects may be filed against companies operating in all industrial sectors, including the mining sector. Mexican projects are also subject to the environmental agreements entered into by Mexico, the United States and Canada in connection with the North American Free Trade Agreement.

Future changes in environmental regulation in the jurisdictions where our projects are located may adversely affect our exploration activities, make them prohibitively expensive, or prohibit them altogether. Environmental hazards may exist on the properties in which we currently hold interests, such as the Sierra Mojada Project, or may hold interests in the future, which are unknown to us at present and that have been caused by us or previous owners or operators, or that may have occurred naturally. We may be liable for remediating any damage that we may have caused. The liability could include costs for removing or remediating the release and damage to natural resources, including ground water, as well as the payment of fines and penalties.

We may face a shortage of water.

Water is essential in all phases of the exploration and development of mineral properties. It is used in such processes as exploration, drilling, leaching, placer mining, dredging, testing, and hydraulic mining. Both the lack of available water and the cost of acquisition may make an otherwise viable project economically impossible to complete. In November 2013 Silver Bull was granted the right to exploit up to 3.5 million cubic meters of water per year from six different well sites by the water regulatory body in Mexico, Comision Nacional de Agua, but it has yet to be determined if the six well sites can produce this much water over a sustained period of time.

We may face a shortage of supplies and materials.

The mineral industry has experienced from time to time shortages of certain supplies and materials necessary in the exploration for and evaluation of mineral deposits. The prices at which such supplies and materials are available have also greatly increased. Our planned operations could be subject to delays due to such shortages and further price escalations could increase our costs for such supplies and materials. Our experience and that of others in the industry is that suppliers are often unable to meet contractual obligations for supplies, equipment, materials, and services, and that alternate sources of supply do not exist.

Competition for outside engineers and consultants is fierce.

We are heavily dependent upon outside engineers and other professionals to complete work on our exploration projects. The mining industry has experienced significant growth over the last several years and as a result, many engineering and consulting firms have experienced a shortage of qualified engineering personnel. We closely monitor our outside consultants through regular meetings and review of resource allocations and project milestones. However, the lack of qualified personnel combined with increased mining projects could result in delays in completing work on our exploration projects or result in higher costs to keep personnel focused on our project.

Our non-operating properties are subject to various hazards.

We are subject to risks and hazards, including environmental hazards, the encountering of unusual or unexpected geological formations, cave-ins, flooding, earthquakes and periodic interruptions due to inclement or hazardous weather conditions. These occurrences could result in damage to, or destruction of, mineral properties or future production facilities, personal injury or death, environmental damage, delays in our exploration activities, asset write-downs, monetary losses and possible legal liability. We may not be insured against all losses or liabilities, either because such insurance is unavailable or because we have elected not to purchase such insurance due to high premium costs or other reasons. Although we maintain insurance in an amount that we consider to be adequate, liabilities might exceed policy limits, in which event we could incur significant costs that could adversely affect our activities. The realization of any significant liabilities in connection with our activities as described above could negatively affect our activities and the price of our common stock.

We need and rely upon key personnel.

Presently, we employ a limited number of full-time employees, utilize outside consultants, and in large part rely on the personal efforts of our officers and directors. Our success will depend, in part, upon the ability to attract and retain qualified employees. In particular, we have only three executive officers, Brian Edgar, Timothy Barry and Sean Fallis, and the loss of the services of any of these three would adversely affect our business.

RISKS RELATING TO OUR COMMON STOCK:

Further equity financings may lead to the dilution of our common stock.

In order to finance future operations, we may raise funds through the issuance of common stock or the issuance of debt instruments or other securities convertible into common stock. We cannot predict the size of future issuances of common stock or the size and terms of future issuances of debt instruments or other securities convertible into common stock or the effect, if any, that future issuances and sales of our securities will have on the market price of our common stock. Any transaction involving the issuance of previously authorized but unissued shares, or securities convertible into common stock, would result in dilution, possibly substantial, to present and prospective security holders. Demand for equity securities in the mining industry has been weak, therefore equity financing may not be available on attractive terms and if available, will likely result in significant dilution to existing shareholders.

No dividends are anticipated.

At the present time, we do not anticipate paying dividends, cash or otherwise, on our common stock in the foreseeable future. Future dividends will depend on our earnings, if any, our financial requirements and other factors. There can be no assurance that we will pay dividends.

Our stock price can be extremely volatile.

Our common stock is listed on the TSX and NYSE MKT. The trading price of our common stock has been, and could continue to be, subject to wide fluctuations in response to announcements of our business developments, results and progress of our exploration activities at the Sierra Mojada Project and in Gabon, progress reports on our exploration activities, and other events or factors. In addition, stock markets have experienced extreme price volatility generally in recent years. This volatility has had a substantial effect on the market prices of companies, at times for reasons unrelated to their operating performance. These fluctuations could be in response to:

- volatility in metal prices;
- political developments in the foreign countries in which our properties, or properties for which we perform services, are located; and
- news reports relating to trends in our industry or general economic conditions.

These broad market and industry fluctuations may adversely affect the price of our stock, regardless of our operating performance.

We cannot make any predictions or projections as to what the prevailing market price for our common stock will be at any time, including as to whether our common stock will sustain market prices at or near its offering price, or as to what effect the sale of shares or the availability of common stock for sale at any time will have on the prevailing market price.

Item 1B. UNRESOLVED STAFF COMMENTS

None.

Item 3. LEGAL PROCEEDINGS

In July 2014 a local cooperative named Sociedad Cooperativa de Exploración Minera Mineros Norteños, S.C.L. (“Mineros Norteños”) filed an action before the First Court in Civil Matters in Chihuahua City, Mexico against our Mexican subsidiary, Minera Metalin, claiming that we breached an agreement regarding the development of the Sierra Mojada Project. Mineros Norteños is seeking payment of the Royalty, including interest at a rate of 6% per annum from August 30, 2004, notwithstanding that no revenue has been produced from the applicable mining concessions, and it is also seeking payment of wages to the cooperative’s members from August 30, 2004, notwithstanding that none of the individuals were ever hired or performed work for us. We and our Mexican legal counsel believe this claim is without merit and have asserted all applicable defenses. We have not accrued any amounts in our financial statements with respect to this claim. See Note 14 – Commitments and Contingencies in the Notes to our Consolidated Financial Statements.

Item 4. MINE SAFETY DISCLOSURE

Not applicable.

PART II

Item 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Information

Our common stock is traded on the NYSE MKT under the symbol "SVBL." On August 26, 2010, our common stock began trading on the TSX under the symbol "SVB."

The following table sets forth the high and low sales prices of our common stock for each quarter during the fiscal years ended October 31, 2014, October 31, 2013, as well as through December 31, 2014, as reported by the NYSE MKT and the TSX.

	NYSE MKT (SVBL)		Toronto Stock Exchange (SVB)	
	High ($)	Low	High (Cdn$)	Low
2015				
First Quarter (through December 31, 2014)	$0.20	$0.12	$0.22	$0.14
2014				
Fourth Quarter (October 31, 2014)	$0.29	$0.12	$0.32	$0.15
Third Quarter (July 31, 2014)	0.35	0.22	0.36	0.25
Second Quarter (April 30, 2014)	0.44	0.30	0.47	0.34
First Quarter (January 31, 2014)	0.39	0.30	0.39	0.30
2013				
Fourth Quarter (October 31, 2013)	$0.40	$0.30	$0.43	$0.32
Third Quarter (July 31, 2013)	0.45	0.35	0.47	0.34
Second Quarter (April 30, 2013)	0.48	0.30	0.48	0.31
First Quarter (January 31, 2013)	0.50	0.40	0.51	0.36

The closing price of our Common Stock as reported on December 31, 2014 on the NYSE MKT, was $0.15 per share.

Holders

As of January 26, 2015, there were 185 holders of record of our common stock. This does not include persons who hold our common stock in brokerage accounts and otherwise in "street name."

Dividends

We did not declare or pay cash or other dividends on our common stock during the last two calendar years. We have no plans to pay any dividends in the foreseeable future.

Securities Authorized for Issuance Under Equity Compensation Plans

As of October 31, 2014, we had two active formal equity compensation plans.

- The 2006 Stock Option Plan (the "2006 Plan") was adopted by the board of directors in May 2006, and approved by the stockholders in July 2006. Five million shares of common stock are reserved for issuance under the 2006 Plan. As of October 31, 2014, options to acquire 57,144 shares of common stock are outstanding pursuant to the 2006 Plan and 4,467,237 shares remain available for issuance under the plan.

- The 2010 Stock Option and Bonus Plan (the "2010 Plan") was adopted by the board of directors in December 2009 and approved by the stockholders in April 2010. Under the 2010 Plan, the lesser of (i) 30,000,000 shares or (ii) 10% of the total shares outstanding will be reserved to be issued upon the exercise of options or the grant of stock bonuses. As of October 31, 2014, there are 15,907,265 shares reserved for issuance under the 2010 Plan. Options to acquire 11,365,000 shares of common stock are outstanding pursuant to the 2010 plan, and 3,871,908 shares remain available for issuance under the plan.

The following table gives information about our common stock that may be issued upon the exercise of options, warrants and rights under our compensation plans as of October 31, 2014.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance
Equity compensation plans approved by security holders	11,422,144[(1)]	$0.50	8,339,145 [(2)]
Total	11,422,144	$0.50	8,339,145

(1) Includes: (i) options to acquire 57,144 shares of common stock under the 2006 Plan; and (ii) options to acquire 11,365,000 shares of common stock under the 2010 Plan.

(2) Includes: (i) 4,467,237 shares of common stock available for issuance under the 2006 Plan; and (ii) 3,871,908 shares of common stock available for issuance under the 2010 Plan.

Recent Sales of Unregistered Securities and Purchases of Equity Securities by the Issuer

No sales of unregistered equity securities occurred during the period covered by this report.

No purchases of equity securities were made by or on behalf of Silver Bull or any "affiliated purchaser" within the meaning of Rule 10b-18 under the Exchange Act during the period covered by this report.

Item 6. SELECTED FINANCIAL DATA

Not applicable.

Item 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

Business Overview

Silver Bull, incorporated in Nevada, is an exploration stage company, engaged in the business of mineral exploration. Our primary objective is to define sufficient mineral reserves on the Sierra Mojada Property to justify the development of a mechanized mining operation. We conduct our operations in Mexico through our wholly-owned Mexican subsidiaries, Minera Metalin and Contratistas, and through Minera Metalin's wholly-owned subsidiary, Minas. However, as noted above, we have not established any reserves at the Sierra Mojada Property, and are in the exploration stage and may never enter the development or production stage.

Our principal offices are located at 925 West Georgia Street, Suite 1908, Vancouver, BC, Canada V6C 3L2, and our telephone number is 604-687-5800.

Current Year Developments

Sierra Mojada Property

Our board of directors approved a calendar year 2014 budget of $1.8 million for the Sierra Mojada Property. The focus of the 2014 calendar year program was continuing to progress in securing additional surface rights, maintenance of our property concessions, further studying power and water alternatives and continued metallurgical work.

Mineralized Material Estimate

On December 19, 2013, JDS Energy & Mining Inc. delivered Silver Bull's amended PEA Technical Report on the silver and zinc mineralization for the Sierra Mojada Project in accordance with Canadian National Instrument 43-101. The PEA Technical Report includes an update on the silver and zinc mineralization which was estimated from 1,372 diamond drill holes, 25 reverse circulation drill holes, 9,025 channel samples and 2,345 long holes. At a cutoff grade of 25 grams/tonne of silver for mineralized material, the PEA Technical Report indicates mineralized material of 71.1 million tonnes at an average silver grade of 71.5 grams/tonne silver and an average zinc percentage of 1.34%.

"Mineralized material" as used in this Annual Report on Form 10-K, although permissible under the Securities and Exchange Commission's Industry Guide 7, does not indicate "reserves" by SEC standards. We cannot be certain that any part of the Sierra Mojada Project will ever be confirmed or converted into SEC Industry Guide 7 compliant "reserves." Investors are cautioned not to assume that all or any part of the mineralized material will ever be confirmed or converted into reserves or that mineralized material can be economically or legally extracted.

Mexican Tax Reform

On December 11, 2013 the Mexican tax reform package was published in the official gazette and applied as from January 1, 2014. There are a number of significant changes in the Mexican tax reform package. The planned corporate tax rate reductions to 29% in 2014 and 28% thereafter have been repealed and the corporate tax rate will remain at 30%. The business flat tax (IETU) has been repealed. A special mining duty of 7.5% will apply to net profits derived by a property concession holder from the sale or transfer of extraction related activities. Net profits for the purpose of this special mining duty will be determined in a manner similar to the calculation of general taxable income with certain deductions not available including for investment in fixed assets and interest. In addition, owners of property concessions will be required to pay a 0.5% tax on gross income derived from the sale of gold, silver and platinum. Further, a 10% withholding tax on dividend distributions has been introduced but will not supercede treaty rates.

2015 Exploration Program

As discussed in the “Material Changes in Financial Condition, Liquidity and Capital Resources” section below we have approved a calendar year 2015 budget of $0.7 million for the Sierra Mojada Property. The focus of the 2015 calendar year program is continuing to progress in securing additional surface rights, maintenance of our property concessions, internally remodeling the zinc resource and the potential for a standalone zinc project and internally studying a smaller silver open pit as discussed below.

During 2015 we intend to internally investigate the potential for a high grade underground zinc oxide mine. To this purpose we are completing an internal remodeling of the zinc resource, much of which was not included in the resource outlined in the PEA Technical Report.

We also intend to do an internal examination on the potential for a smaller silver open pit than the one proposed in the PEA Technical Report. The focus will be to target the "at-surface" silver mineralization with a smaller project. Although a smaller project would produce fewer ounces than proposed in the PEA Technical Report, the low strip and smaller plant would be expected to significantly reduce the overall capital costs needed to put the project into production.

During 2015, and subject to market conditions, we intend to examine the potential for fuming high grade zinc. Previous test work completed by Hazen Research Inc. at the request of us in 2012 focused on roasting the ore in a rotary kiln to fume off the zinc and collect it as a zinc oxide concentrate. Recoveries of up to 98% of the zinc were recorded.

The roasting of the zinc samples aims to simulate a "Waelz Kiln", a kiln which is used extensively to recycle zinc from steel dust and which regularly achieves recoveries in excess of 90%. In considering this process, the zinc resource at Sierra Mojada has a number of possible advantages: It lies in the state of Coahuila which is the largest coal producing state in Mexico, or we may be able to extend an existing gas pipeline to site (as contemplated in our PEA). Either option could provide the fuel to run the kiln. It also has a functioning railway right to site to potentially allow for transport of coal to the site and of the zinc concentrate from the site.

Metallurgical Studying

In addition we previously conducted a metallurgical program to test the recovery of the silver mineralization using the agitation cyanide leach method and recovery of the zinc mineralization using the SART process (sulfidization, acidification, recycling, and thickening). The test work on the silver zone focused on cyanide leach recovery of the silver using “Bottle Roll” tests to simulate an agitation leach system and to determine the recovery of low grade zinc that occurs in the silver zone and high grade zinc from the zinc zone that had been blended with mineralization from the silver zone to the leach solution. The silver was recovered from the cyanide leach solution using the Merrill Crowe technique and the zinc was recovered from the leach solution using the SART process. The SART Process is a metallurgical process that regenerates and recycles the cyanide used in the leaching process of the silver and zinc and allows for the recovery of zinc that has been leached by the cyanide solution. The results showed an overall average silver recovery of 73.2% with peak values of 89.0% and an overall average zinc recovery of 44% in the silver zone.

Gabon Property

On December 13, 2013, we entered into a binding letter of agreement, and on May 21, 2014 we executed a share purchase agreement (the “Transaction”) with BHK Mining Corp. (formerly BHK Resources, Inc.) (“BHK”) to sell all of the issued and outstanding securities of our former subsidiary, Dome International, which holds, indirectly, a 100% interest in and to the Ndjole manganese and gold license through its wholly-owned subsidiary, Dome Gabon, for cash consideration of $1,500,000 and reimbursement of our expenses of $75,000. Also, we recorded an impairment of

$188,000 during the year ended October 31, 2014 for the Ndjole concession as its carrying amount was not recoverable based on the implied fair value due to expected net proceeds from the Transaction. The Transaction was completed in January 2015 and we received $1,500,000 in cash upon consummation of the sale. In addition, we hold the Mitzic exploration license in Gabon whose recoverability is highly uncertain.

Results of Operations

Year Ended October 31, 2014 Compared to Year Ended October 31, 2013

For the fiscal year ended October 31, 2014, we reported a consolidated net loss of $4,914,000 or approximately $0.03 per share, compared to a consolidated net loss of $7,467,000 or approximately $0.05 per share during the fiscal year ended October 31, 2013. The $2,553,000 decrease in the consolidated net loss was primarily due to a $1,694,000 decrease in exploration and property holding costs and a $829,000 decrease in general and administrative expenses in the 2014 fiscal year from the 2013 fiscal year.

Exploration and Property Holding Costs

Exploration and property holding costs decreased $1,694,000 to $2,915,000 in the 2014 fiscal year from $4,609,000 in the 2013 fiscal year. This decrease was mainly the result of not having a drilling program on the Sierra Mojada Property during the 2014 fiscal year, whereas in the 2013 fiscal year we had a small underground drill program. In addition, we had a significantly reduced metallurgical program in the 2014 fiscal year compared to the 2013 fiscal year and during the 2013 fiscal year we were incurring expenditures on the PEA Technical Report. As a result of the reduced exploration program we reduced our work force at the Sierra Mojada Property, and therefore our staffing and consultants costs were lower in the 2014 compared to the last year. In addition, our exploration and property holding costs included a $1,559,000 concession impairment in the 2014 fiscal year as we decided not to pursue further work on certain concessions in the Sierra Mojada Property resulting in an impairment of $1,234,000 and we have written off the capitalized concession balance related to the Mitzic concession of $325,000 as the recoverability is highly uncertain compared to a $714,000 concession impairment in the 2013 fiscal year as we decided not to pursue further work on certain concessions in the Sierra Mojada Property.

General and Administrative Costs

General and administrative expenses decreased $829,000 to $1,790,000 in the 2014 fiscal year from $2,619,000 in the 2013 fiscal year as described below.

Personnel costs decreased $164,000 to $730,000 in the 2014 fiscal year from $894,000 in the 2013 fiscal year. This decrease was primarily due to a decrease in stock based compensation expense to $141,000 in the 2014 fiscal year from $273,000 in the 2013 fiscal year as a result of stock option vesting in the 2014 fiscal year having a lower fair value than stock option vesting in the 2013 fiscal year.

Office and administrative expenses decreased $444,000 to $539,000 in the 2014 fiscal year from $983,000 in the 2013 fiscal year. This decrease is mainly the result of having significant investor relations activities and corporate travel related to the February 2013 equity financing in the 2013 fiscal year and a general decrease in investor relation activities and corporate travel in the 2014 fiscal year.

Professional fees decreased $166,000 to $238,000 in the 2014 fiscal year from $404,000 in the 2013 fiscal year. The decrease was primarily due to a decrease in legal and accounting fees in the 2014 fiscal year compared to the 2013 fiscal year.

Directors' fees decreased $98,000 to $261,000 for the 2014 fiscal year as compared to $359,000 for the 2013 fiscal year. This decrease was primarily due to a decrease in stock based compensation expense to $87,000 in the 2014 fiscal year from $176,000 in the 2013 fiscal year as a result of stocks options vesting in the 2014 fiscal year having a lower fair value than stock options vesting in the 2013 fiscal year.

We recorded a provision of $19,000 for uncollectible value-added taxes ("VAT") in the 2014 fiscal year compared to a recovery of $25,000 in the 2013 fiscal year. The allowance for uncollectible taxes was estimated by management based upon a number of factors including the length of time the returns have been outstanding, responses received from tax authorities, general economic conditions in Mexico and Gabon and estimated net recovery after commissions.

Other Income (Expenses)

We recorded other expense of $10,000 in the 2014 fiscal year compared to other income of $238,000 in the 2013 fiscal year. The significant factors were a $89,000 foreign currency transaction loss in the 2014 fiscal year which was partially offset by a $68,000 miscellaneous income as compared to a $52,000 foreign currency transaction gain and a $153,000 miscellaneous income in the 2013 fiscal year.

The miscellaneous income in the 2014 fiscal year was the result of a gain on office and mining equipment sales at the Sierra Mojada Property and the miscellaneous income in the 2013 fiscal year is primarily due to a gain on office and mining equipment sales at the Sierra Mojada Property.

The foreign currency transaction loss in the 2014 fiscal year was primarily the result of the depreciation of the Central African Franc ("$CFA") and the resulting impact on the intercompany loans between Silver Bull and African Resources. The foreign currency transaction gain in the 2013 fiscal year was primarily the result of the appreciation of the Central African franc and the resulting impact on the intercompany loans between Silver Bull and African Resources.

Income Tax Expense

Income tax expense decreased $50,000 to $15,000 in the 2014 fiscal year from $65,000 in the 2013 fiscal year. The decrease was primarily due to reduced staffing in Mexico.

Results of Discontinued Operations

Pursuant to accounting principles general accepted in the United States of America ("GAAP"), Dome International and Dome Gabon have been reported in discontinued operations for the year ended October 31, 2014 and October 31, 2013 as described in the "Critical Accounting Policies" section. Loss from discontinued operations, net of income tax expense for the year ended October 31, 2014 was $184,000 which is mainly a result of $28,000 for exploration and property holding costs recovery and, a $188,000 concession impairment related to the Ndjole concession as compared to a loss from discontinued operations, net of income tax expense for the year ended October 31, 2013 of $412,000 which is mainly a result of $335,000 for exploration and property holding costs and a $557,000 concession impairment related to Ndjole concession, which was partially offset by a $492,000 miscellaneous income. The miscellaneous income was the result of our determination that AngloGold abandoned all of its rights and benefits under the two joint venture agreements upon AngloGold's termination of these agreements, and therefore the VAT receivable outstanding at the termination of the agreements and subsequent cash collected is the sole property of the Company.

Material Changes in Financial Condition, Liquidity and Capital Resources

Cash Flows

During the 2014 fiscal year, we primarily utilized cash and cash on hand to fund exploration activities at the Sierra Mojada Property and for general and administrative expenses. As a result of the exploration activities and general and administrative expenses, cash and cash on hand decreased from $5,206,000 at October 31, 2013 to $1,879,000 at October 31, 2014.

Cash flows used in operations for the 2014 fiscal year was $2,992,000 as compared to $5,425,000 in the 2013 fiscal year. This decrease was mainly due to the decreased exploration work at the Sierra Mojada Property and decreased general and administrative expenses in the 2014 fiscal year compared to the 2013 fiscal year which was partially offset by the increase VAT collected in the 2013 fiscal year.

Cash flows used in investing activity for the 2014 fiscal year was $377,000 as compared to $658,000 in the 2013 fiscal year. This decrease was mainly due to a decrease of $430,000 to $378,000 in property concessions acquisition costs in the 2014 fiscal year compared to $808,000 in the 2013 fiscal year.

Cash flows provided by financing activities for the 2014 fiscal year was $nil as compared to $8,127,000 for the 2013 fiscal year. The majority of the cash flow provided by financing activities in the comparable period last year was due to the February 2013 equity financing.

Capital Resources

As of October, 2014, we had cash and cash on hand of $1,879,000 and working capital of $2,947,000 including $1,282,000 of assets of discontinued operations held for sale and $9,000 of liabilities of discontinued operations held for sale as compared to cash and cash on hand of $5,206,000 and working capital of $6,218,000 including $1,554,000 of assets of discontinued operations held for sale and $4,000 of liabilities of discontinued operations held for sale as of October 31, 2013. The decrease in our liquidity and working capital were primarily the result of the exploration activities at the Sierra Mojada Property and general and administrative expense.

Since inception, we have relied primarily upon proceeds from sales of our equity securities and warrant exercises as our primary sources of financing to fund our operations. We anticipate that we will continue to rely on sales of our securities in order to continue to fund our business operations. Issuances of additional shares will result in dilution to our existing stockholders. There is no assurance that we will be able to complete any additional sales of our equity securities or that we will be able arrange for other financing to fund our planned business activities. See Note 1 to our Consolidated Financial Statements included in this Annual Report on the Form 10-K.

Capital Requirements and Liquidity; Need for Subsequent Funding

Our management and board of directors monitor our overall costs, expenses, and financial resources and, if necessary, will adjust our planned operational expenditures in an attempt to ensure we have sufficient operating capital. We continue to evaluate our costs and planned expenditures including for our Sierra Mojada Property as discussed below.

The continued exploration of the Sierra Mojada Property will require significant amounts of additional capital. In January 2015, our board of directors approved a calendar year 2015 budget of $0.7 million for the Sierra Mojada Property and a $1.5 million budget for general and administrative expenses. As of December 31, 2014, we had approximately $1.4 million in cash on hand and in January 2015 we received an additional $1.5 million from the sale of Dome International. We will continue to evaluate our ability to raise additional capital, and we will reduce expenditures on the Sierra Mojada Property if we determine that additional capital is unavailable or available on terms that we determine are unacceptable. Also, the continued exploration and if warranted, development, of the Sierra Mojada Property ultimately will require us to raise additional capital, identify other sources of funding or identify another strategic transaction. The on-going uncertainty and volatility in the global financial and capital markets have limited the availability of funding. Debt or equity financing may not be available to us on acceptable terms, if at all. Equity financing, if available, will likely result in substantial dilution to existing stockholders. If we are unable to fund future operations by way of financing, including public or private offerings of equity or debt securities, our business, financial condition and results of operations will be adversely impacted.

Off Balance Sheet Arrangements

We have no significant off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to our stockholders.

Recent Accounting Pronouncements Adopted in the Year Ended October 31, 2014

Effective in July, 2014, we adopted Accounting Standards Update (“ASU”) 2014-10: Development Stage Entities (Topic 915): Elimination of Certain Financial reporting Requirements, Including an Amendment to Variable Interest Entities Guidance in Topic 810, Consolidation. The standard removes the definition of a development stage entity from the Master Glossary of the Accounting Standards Codification, thereby removing the financial reporting distinction between development stage entities and other reporting entities from GAAP. In addition, the standard eliminates the requirements for development stage entities to (1) present inception-to-date information in the statements of income, cash flows, and shareholder equity, (2) label the financial statements as those of a development stage entity, (3) disclose a description of the development stage activities in which the entity is engaged, and (4) disclose in the first year in which the entity is no longer a development stage entity that in prior years it had been in the development stage. The standard is effective for annual reporting periods beginning after December 15, 2014, and interim periods therein, with early adoption permitted. As a result, we eliminated inception to date information from our consolidated financial statements for the fiscal year ended October 31, 2014.

Effective November 1, 2013, we adopted ASU 2011-11, "Balance Sheet (Topic 201): Disclosures about Offsetting Assets and Liabilities." This ASU added certain additional disclosure requirements about financial instruments and derivative instruments that are subject to netting arrangements. The adoption of this guidance did not have a material impact on the disclosure for our consolidated financial statements.

Recent Accounting Pronouncements Not Yet Adopted

In August 2014, the Financial Accounting Standard Board ("FASB") issued ASU 2014-15, Presentation of Financial Statements—Going Concern (Subtopic 205-40): Disclosure of Uncertainties about an entity's ability to continue as a going concern. ASU 2014-15 is intended to define management's responsibility to evaluate whether there is substantial doubt about an organization's ability to continue as a going concern and to provide related footnote disclosures. The update provides guidance to an organization's management, with principles and definitions that are intended to reduce diversity in the timing and content of disclosures that are commonly provided by organizations today in the financial statement footnotes. The amendments are effective for annual periods ending after December 15, 2016, and interim periods within annual periods beginning after December 15, 2016. Early application is permitted. We have not determined the effects of this update on our financial position, result of operations or cash flows and disclosures at this time.

In July 2013, the FASB issued ASU 2013-11, “Income Taxes (Topic 740): Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carry Forward, a Similar Tax Loss, or a Tax Credit Carry Forward Exists.” The updated guidance requires an entity to net its unrecognized tax benefits against the deferred tax assets for all same jurisdiction net operating loss carry forwards, a similar tax loss, or tax credit carry forwards. A gross presentation will be required only if such carry forwards are not available or would not be used by the entity to settle any additional income taxes resulting from disallowance of the uncertain tax provision. The update is effective prospectively for our fiscal year beginning November 1, 2014. We do not believe the adoption of this update will have a material impact on our financial position, results of operations or cash flows, and the disclosure requirements for our consolidated financial statements.

In April 2014, the FASB issued ASU 2014-08, “Presentation of Financial Statements (Topic 205) and Property, Plant, and Equipment (Topic 360): Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity.” Under ASU 2014-08, only disposals of a component or group of components of an entity representing a strategic shift that has (or will have) a major effect on an entity’s operations and financial results are presented as discontinued operations. In addition, ASU 2014-08 requires expanded disclosures about discontinued operations that will provide additional information about the assets, liabilities, income, and expenses of discontinued operations. ASU 2014-08 also requires disclosure of the pre-tax income attributable to a disposal of a significant part of an organization that does not qualify for discontinued operations reporting. The update is effective prospectively for fiscal years, and interim periods within those years, beginning after December 15, 2014. We have not determined the effects of this update on our financial position, result of operations or cash flows and disclosures at this time.

Other recent accounting pronouncements issued by the FASB (including its Emerging Issues Task Force) and the SEC did not or are not believed to have a material impact on our present or future consolidated financial statements.

Critical Accounting Policies and Estimates

The preparation of financial statements in conformity with GAAP requires us to establish accounting policies and make estimates and assumptions that affect our reported amounts of assets and liabilities at the date of the consolidated financial statements. These financial statements include some estimates and assumptions that are based on informed judgments and estimates of management. We evaluate our policies and estimates on an on-going basis and discuss the development, selection and disclosure of critical accounting policies with the Audit Committee of the Board of Directors. Predicting future events is inherently an imprecise activity and as such requires the use of judgment. Our consolidated financial statements may differ based upon different estimates and assumptions.

We discuss our significant accounting policies in Note 2 — Summary of Significant Accounting Policies — to our consolidated financial statements. Our significant accounting policies are subject to judgments and uncertainties that affect the application of such policies. We believe these consolidated financial statements include the most likely outcomes with regard to amounts that are based on our judgment and estimates. Our consolidated financial position and results of operations may be materially different when reported under different conditions or when using different assumptions in the application of such policies. In the event estimates or assumptions prove to be different from the actual amounts, adjustments are made in subsequent periods to reflect more current information. We believe the following accounting policies are critical to the preparation of our consolidated financial statements due to the estimation process and business judgment involved in their application:

Use of Estimates

The preparation of the consolidated financial statements in conformity with GAAP requires management to make estimates based on assumptions about future events that affect the amounts reported in the consolidated financial statements and related notes to the consolidated financial statements. Actual results could differ from those estimates. Estimates and assumptions are reviewed on an ongoing basis based on historical experience and other factors that are considered to be relevant under the circumstances. Revisions to estimates and assumptions are accounted for prospectively.

Significant areas involving the use of estimates include determining the allowance for uncollectible taxes, evaluating recoverability of property concessions, evaluating impairment of long-lived assets, evaluating impairment of goodwill, establishing a valuation allowance on future use of deferred tax assets and calculating stock-based compensation.

Property Concessions

Property concessions acquisition costs are capitalized when incurred and will be amortized using the units of production method following the commencement of production. If a property concession is subsequently abandoned or impaired, any capitalized costs will be expensed in the period of abandonment or impairment. To date, no property concession have reached the production stage.

Acquisition costs include cash consideration and the fair market value of shares issued on the acquisition of property concessions.

Exploration Costs

Exploration costs incurred are expensed to the date of establishing that costs incurred are economically recoverable. Exploration expenditures incurred subsequent to the establishment of economic recoverability are capitalized and included in the carrying amount of the related property. To date, we have not established the economic recoverability of its exploration prospects; therefore, all exploration costs are being expensed.

Impairment of Long-Lived Assets

Management reviews and evaluates its long-lived assets for impairment when events and changes in circumstances indicate that the related carrying amounts of its assets may not be recoverable. Impairment is considered to exist if the future cash flows on an undiscounted basis are less than the carrying amount of the long-lived asset. An impairment loss is measured and recorded based on the difference between book value and fair value of the asset group, as determined through the application of a present value technique using expected future cash flows to estimate fair value in the absence of a market price. In estimating future cash flows, assets are grouped at the lowest level for which there is identifiable cash flows that are largely independent of cash flows from other asset groups.

Goodwill

Goodwill is the purchase premium after adjusting for the fair value of net assets acquired. Goodwill is not amortized but is reviewed for potential impairment on an annual basis, or when events or circumstances indicate a potential impairment, at the reporting unit level. We perform our annual goodwill impairment tests at April 30th of each fiscal year.

In performing the goodwill impairment tests we have the option to elect to first perform a qualitative assessment to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount. If we determine that this is the case or we do not chose to elect to perform a qualitative assessment, we are required to perform the currently prescribed two-step goodwill impairment test to identify potential goodwill impairment and measure the amount of goodwill impairment loss to be recognized for that reporting unit (if any). If we determine based on the qualitative assessment that the fair value of a reporting unit is not less than its carrying amount, the two-step goodwill impairment test is not required.

Income Taxes

We follow the asset and liability method of accounting for income taxes. Under this method, deferred income tax assets and liabilities are determined based on temporary differences between the tax basis and accounting basis of the assets and liabilities measured using tax rates enacted at the balance sheet date. We recognize the tax benefit from uncertain tax positions only if it is at least “more likely than not” that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon settlement with the taxing authorities. This accounting standard also provides guidance on de-recognition, classification, interest and penalties, accounting in interim periods and disclosure.

A valuation allowance is recorded against deferred tax assets if management does not believe we have met the “more likely than not” standard imposed by this guidance to allow recognition of such an asset. Management recorded a full valuation allowance at October 31, 2014 and October 31, 2013 against the deferred tax assets as it deems future realization would not meet the criteria “more likely than not”.

Stock-Based Compensation and Warrants

We use the Black-Scholes pricing model as a method for determining the estimated fair value for all stock options awarded to employees, officers, directors and consultants. The expected term of the options is based upon evaluation of historical and expected future exercise behavior. The risk-free interest rate is based upon U.S. Treasury rates at the date of grant with maturity dates approximately equal to the expected life of the grant. Volatility is determined upon historical volatility of our stock and adjusted if future volatility is expected to vary from historical experience. The dividend yield is assumed to be none as we have not paid dividends nor do we anticipate paying any dividends in the foreseeable future. We use the graded vesting attribution method to recognize compensation costs over the requisite service period.

We also used the Black-Scholes valuation model to determine the fair market value of warrants. Expected volatility is based upon weighted average of historical volatility over the contractual term of the warrant and implied volatility. The risk-free interest rate is based upon implied yield on a U.S. Treasury zero-coupon issue with a remaining term equal to the contractual term of the warrants. The dividend yield is assumed to be none as we have not paid dividends and do not anticipate paying any dividends in the foreseeable future.

Foreign Currency Translation

During the years ended October 31, 2014 and October 31, 2013, the functional currency of Silver Bull Resources, Inc. and its subsidiaries is the U.S. dollar except for the Gabonese subsidiaries whose functional currency is the CFA.

During the years ended October 31, 2014 and October 31, 2013 our Mexican foreign operations monetary assets and liabilities were translated into U.S. dollars at the period-end exchange rate and non-monetary assets and liabilities were translated using the historical exchange rate. Our Mexican foreign operations revenue and expenses were translated at the average exchange rate during the period except for depreciation of office and mining equipment and impairment of property concessions which are translated using the historical exchange rate. Foreign currency translation gains and losses of our foreign Mexican operations are included in the consolidated statement of operations.

During the years ended October 31, 2014 and October 31, 2013, assets and liabilities of our Gabonese operations were translated into U.S. dollars at the period-end exchange rate, and revenue and expenses were translated at the average exchange rate during the period. Exchange differences arising on translation were disclosed as a separate component of stockholders' equity. Realized gains and losses from foreign currency transactions were reflected in the results of operations. Intercompany transactions and balances with our Gabonese subsidiaries were considered to be planned or anticipated to settle in the foreseeable future. All foreign currency transaction gains and losses on intercompany loans which were considered to be planned or anticipated to settle in the foreseeable future were included in the consolidated statement of operations.

Reclassifications

Certain reclassifications of prior year balances have been made to conform to the current year presentation. We reclassified the Dome International consolidated balance sheet amounts and consolidated statements of operations from historical presentation to assets and liabilities of operations held for sale on the consolidated balance sheets and to loss from discontinued operations in the consolidated statements of operations for all periods presented. The consolidated statements of cash flow have not been adjusted to reflect assets held for sale and discontinued operations for all periods presented.

Item 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not applicable.

Item 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

See "Index to Consolidated Financial Statements" following the signature page of this Form 10-K.

Item 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

Item 9A. Controls and Procedures

(a) Evaluation of Disclosure Controls and Procedures

As of October 31, 2014, we have carried out an evaluation under the supervision of, and with the participation of our Chief Executive Officer and our Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act). Based on the evaluation as of October 31, 2014, our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures (as defined in Rules 13a-15(e) under the Exchange Act) were effective.

Our disclosure controls and procedures are designed to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in our reports filed under the Exchange Act is accumulated and communicated to our management, including our principal executive officer and our principal financial officer, as appropriate, to allow timely decisions regarding required disclosure.

(b) Management's Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as that term is defined in Rule 13a-15(f) under the Exchange Act. Under the supervision and with the participation of our management, including our principal executive and principal financial officers, we assessed, as of October 31, 2014, the effectiveness of our internal control over financial reporting. This assessment was based on criteria established in the framework in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission in 1992. Based on our assessment using those criteria, management concluded that our internal control over financial reporting as of October 31, 2014 was effective.

Internal control over financial reporting is defined as a process designed by, or under the supervision of, our principal executive and principal financial officers and effected by our board of directors, management and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles, and includes those policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets;
- provide reasonable assurance that transactions are recorded as necessary to permit the preparation of financial statements in accordance with U.S. generally accepted accounting principles and that our receipts and expenditures are being made only in accordance with authorization of our management and directors; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of our assets that could have a material effect on the financial statements.

A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the internal control system are met. Because of the inherent limitations of any internal control system, no evaluation of controls can provide absolute assurance that all control issues, if any, within a company have been detected.

(c) Changes in Internal Controls over Financial Reporting

There were no changes in our internal control over financial reporting during the year ended October 31, 2014 that materially affected, or were reasonably likely to materially affect, our internal control over financial reporting.

PART III

Item 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

For information regarding our executive officers, see “Items 1 and 2: Business and Properties – Executive Officers of Silver Bull Resources”

Information relating to this item will be included in an amendment to this report or in the proxy statement for our 2015 annual shareholders meeting and is incorporated by reference in this report.

We have adopted a Code of Ethics that applies to all of our directors and employees, including our principal executive officer, principal financial officer, principal accounting officer, and those of our officers performing similar functions. The full text of our Code of Ethics can be found on the Corporate Governance page of our website. In the event our board approves an amendment to or waiver from any provision of our Code of Ethics, we will disclose the required information pertaining to such amendment or waiver on our website.

Item 11. EXECUTIVE COMPENSATION

Information relating to this item will be included in an amendment to this report or in the proxy statement for our 2015 annual shareholders meeting and is incorporated by reference in this report.

Item 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Information relating to this item will be included in an amendment to this report or in the proxy statement for our 2015 annual shareholders meeting and is incorporated by reference in this report.

Item 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Information relating to this item will be included in an amendment to this report or in the proxy statement for our 2015 annual shareholders meeting and is incorporated by reference in this report.

Item 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

Information relating to this item will be included in an amendment to this report or in the proxy statement for our 2015 annual shareholders meeting and is incorporated by reference in this report.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

Financial Statements and Financial Statement Schedules

See “Index to Consolidated financial statements” on page F-1.

		Incorporated by Reference			
Exhibit Number	Exhibit Description	Form	Date of Report	Exhibit	Filed Herewith
3.1	Restated Articles of Incorporation.	10-K	10/31/2010	3.1.1	
3.2	Amended and Restated Bylaws	10-K	10/31/2010	3.1.2	
4.1	Rights Agreement	8-A	06/12/2007	1	
10.1	2006 Stock Option Plan.	10-KSB	10/31/2006	4.2	
10.2	2010 Stock Option Plan and Stock Bonus Plan, as amended	8-K	02/28/2012	10.1	
10.3	Employment agreement with Timothy Barry, as amended	8-K	02/26/2013	10.1	
10.4	Employment agreement with Sean Fallis, as amended	8-K	02/26/2013	10.2	
10.5	Employment agreement with Brian Edgar, as amended	8-K	02/26/2013	10.3	
14	Code of Ethics	10-KSB	01/31/2007	14	
21.1	Subsidiaries of the Registrant				X

23.1	Consent of Hein & Associates LLP	X
23.2	Consent of JDS Energy & Mining Inc.	X
31.1	Certification of CEO Pursuant to Exchange Act Rules 13a-14 and 15d-14, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	X
31.2	Certification of CFO Pursuant to Exchange Act Rules 13a-14 and 15d-14, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	X
32.1	Certification of CEO Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	X
32.2	Certification of CFO Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of	X

	the Sarbanes-Oxley Act of 2002.	
101.INS*	XBRL Instance Document	X
101.SCH*	XBRL Schema Document	X
101.CAL*	XBRL Calculation Linkbase Document	X
101.DEF*	XBRL Definition Linkbase Document	X
101.LAB*	XBRL Labels Linkbase Document	X
101.PRE*	XBRL Presentation Linkbase Document	X
99.1	Sierra Mojada location map. (1)	X

In accordance with Rule 406T of Regulation S-T, the XBRL related information in Exhibit 101 to this Annual Report on Form 10-K is deemed not filed or part of a registration statement or prospectus for purposes of sections 11 or 12 of the Securities Act, is deemed not filed for purposes of section 18 of the Exchange Act, and otherwise is not subject to liability under these sections.

(1) Filed herewith under Items 1 and 2. Business and Properties.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

	SILVER BULL RESOURCES, INC.	
Date: January 26, 2015	By:	/s/ Timothy Barry Timothy Barry, President and Chief Executive Officer (Principal Executive Officer)
Date: January 26, 2015	By:	/s/ Sean Fallis Sean Fallis, Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Date: January 26, 2015	By:	/s/ Timothy Barry Timothy Barry, President and Chief Executive Officer and Director
Date: January 26, 2015	By:	/s/ Joshua Crumb Joshua Crumb, Director
Date: January 26, 2015	By:	/s/ Brian Edgar Brian Edgar, Director
Date: January 26, 2015	By:	/s/ Murray Hitzman Murray Hitzman, Director
Date: January 26, 2015	By:	/s/ Daniel Kunz Daniel Kunz, Director

Date: January 26, 2015	By:/s/ John McClintock John McClintock, Director

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INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

SILVER BULL RESOURCES, INC.
(An Exploration Stage Company)

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders
Silver Bull Resources, Inc.

We have audited the accompanying consolidated balance sheets of Silver Bull Resources, Inc. (an exploration stage company) as of October 31, 2014 and 2013, and the related consolidated statements of operations and comprehensive loss, stockholders' equity, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Silver Bull Resources, Inc. (an exploration stage company) as of October 31, 2014 and 2013, and the results of its operations and its cash flows for the years then ended, in conformity with U.S. generally accepted accounting principles.

/s/ Hein & Associates LLP

HEIN & ASSOCIATES LLP
Denver, Colorado
January 26, 2015

SILVER BULL RESOURCES, INC.
(AN EXPLORATION STAGE COMPANY)
CONSOLIDATED BALANCE SHEETS

	October 31, 2014	October 31, 2013
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$1,879,318	$5,205,733
Value-added tax receivable, net of allowance for uncollectible taxes of $116,274 and $127,557 respectively (Note 4)	163,032	329,508
Income tax receivable	2,027	396
Other receivables	28,637	67,094
Prepaid expenses and deposits	219,717	236,739
Assets of discontinued operations held for sale (Note 3)	1,281,518	1,554,037
Total Current Assets	3,574,249	7,393,507
Office and mining equipment, net (Note 5)	363,519	483,621
Property concessions (Note 6)	5,563,263	6,741,974
Goodwill (Note 7)	18,495,031	18,495,031
TOTAL ASSETS	$27,996,062	$33,114,133
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	$253,419	$467,016
Accrued liabilities and expenses	354,792	704,366
Income tax payable	10,000	—
Liabilities of discontinued operations held for sale (Note 4)	8,894	3,942
Total Current Liabilities	627,105	1,175,324
COMMITMENTS AND CONTINGENCIES (Notes 1, 8 and 14)		
STOCKHOLDERS' EQUITY (Notes 8, 9, 10 and 11)		
Common stock, $0.01 par value; 300,000,000 shares authorized, 159,072,657 and 159,072,657 shares issued and outstanding, respectively	1,590,726	1,590,726
Additional paid-in capital	124,921,150	124,641,777
Accumulated deficit	(99,301,107)	(94,386,856)
Other comprehensive income	158,188	93,162
Total Stockholders' Equity	27,368,957	31,938,809
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$27,996,062	$33,114,133

The accompanying notes are an integral part of these consolidated financial statements.

SILVER BULL RESOURCES, INC.
(AN EXPLORATION STAGE COMPANY)
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

	Years Ended October 31,	
	2014	2013
REVENUES	$—	$—
EXPLORATION AND PROPERTY HOLDING COSTS		
Exploration and property holding costs	1,272,580	3,770,988
Depreciation and asset impairment (Note 6)	1,642,884	837,952
TOTAL EXPLORATION AND PROPERY HOLDING COSTS	2,915,464	4,608,940
GENERAL AND ADMINISTRATIVE EXPENSES		
Personnel	729,583	893,789
Office and administrative	538,691	982,803
Professional services	237,920	404,319
Directors’ fees	261,363	358,796
Provision for (recovery of) uncollectible value-added taxes	19,170	(25,406)
Depreciation	2,931	4,437
TOTAL GENERAL AND ADMINISTRATIVE EXPENSES	1,789,658	2,618,738
LOSS FROM OPERATIONS	(4,705,122)	(7,227,678)
OTHER (EXPENSES) INCOME		
Interest and investment income	10,423	33,014
Foreign currency transaction (loss) gain	(88,686)	52,444
Miscellaneous income	68,348	152,584
TOTAL OTHER (EXPENSES) INCOME	(9,915)	238,042
LOSS FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	(4,715,037)	(6,989,636)
INCOME TAX EXPENSE (Note 12)	15,260	64,708
LOSS FROM CONTINUING OPERATIONS	(4,730,297)	(7,054,344)
LOSS FROM DISCONTINUED OPERATIONS, NET OF INCOME TAX EXPENSE (NOTE 3)	(183,954)	(412,236)
NET LOSS	(4,914,251)	(7,466,580)
OTHER COMPREHENSIVE INCOME		
Foreign currency translation adjustments	65,026	34,682
COMPREHENSIVE LOSS	$(4,849,225)	$(7,431,898)
BASIC AND DILUTED NET LOSS PER COMMON SHARE		

Loss from continuing operations	$(0.03)	$(0.05)
Loss from discontinued operations	—	—
NET LOSS	$(0.03)	$(0.05)
BASIC AND DILUTED WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING	159,072,657	152,481,390

The accompanying notes are an integral part of these consolidated financial statements.

SILVER BULL RESOURCES, INC.
(AN EXPLORATION STAGE COMPANY)
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended October 31, 2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$(4,914,251)	$(7,466,580)
Adjustments to reconcile net loss to net cash used by operating activities:		
Depreciation and asset impairment	1,848,259	1,413,948
Provision for uncollectible value-added taxes	19,170	5,167
Other income	(48,128)	(579,889)
Foreign currency transaction loss (gain)	146,877	(104,583)
Stock options issued for compensation	279,373	576,358
Changes in operating assets and liabilities:		
Restricted cash	(1,512)	12,859
Value-added tax receivable	137,286	614,455
Income tax receivables	(2,080)	(396)
Other receivables	37,035	49,926
Prepaid expenses and deposits	9,706	73,200
Accounts payable	(206,940)	(32,826)
Accrued liabilities and expenses	(307,485)	22,359
Income tax payable	10,390	(8,540)
Net cash used by operating activities	(2,992,300)	(5,424,542)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Other assets	(80,238)	—
Equipment purchases	(13,324)	—
Proceeds from sale of equipment	94,335	149,330
Acquisition of property concessions	(377,845)	(807,732)
Net cash used by investing activities	(377,072)	(658,402)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issuance of common stock, net of offering costs	—	8,094,725
Deferred cash offering costs	—	43,843
Payable to former joint venture partner	—	(11,551)
Net cash provided by financing activities	—	8,127,017
Effect of exchange rates on cash and cash equivalents	4,538	5,690
Net (decrease) increase in cash and cash equivalents	(3,364,834)	2,049,763

Cash and cash equivalents beginning of period	5,251,003 *	3,201,240
Cash and cash equivalents end of period	$ 1,886,169 *	$ 5,251,003 *

* Cash and cash equivalents at October 31, 2014 and October 31, 2013 included $6,851 and $45,270 recognized in assets of discontinued operations held for sale respectively.

The accompanying notes are an integral part of these consolidated financial statements.

SILVER BULL RESOURCES, INC.
(AN EXPLORATION STAGE COMPANY)
CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)

	Years Ended October 31,	
	2014	2013
SUPPLEMENTAL CASH FLOW DISCLOSURES:		
Income taxes paid	$13,912	$56,471
Interest paid	$—	$—
NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Warrants issued for offering costs (Note 11)	$—	$51,672

The accompanying notes are an integral part of these consolidated financial statements.

SILVER BULL RESOURCES, INC.
(AN EXPLORATION STAGE COMPANY)
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY

	Common Stock Number of Shares	Amount	Additional Paid-in Capital	Accumulated Deficit	Other Comprehensive Income	Total
Balance, November 1, 2012	136,160,157	$1,361,601	$116,199,819	$(86,920,276)	$ 58,480	$30,699,624
Issuance of common stock as follows:						
-for cash at an average price of $0.40 per share with attached warrants less offering costs of $1,121,947 (Note 10)	22,912,500	229,125	7,813,928	—	—	8,043,053
Stock option and warrant activity as follows:						
- stock based compensation for options issued to officers, employees, consultants and directors	—	—	576,358	—	—	576,358
- fair value of warrants issued to agents in connection with the offering (Notes 10 and 12)	—	—	51,672	—	—	51,672
Other Comprehensive Income – Foreign Currency Translation Adjustment	—	—	—	—	34,682	34,682
Net loss for the year ended October 31, 2013	—	—	—	(7,466,580)	—	(7,466,580)
Balance, October 31, 2013	159,072,657	$1,590,726	$124,641,777	$(94,386,856)	$ 93,162	$31,938,809
Stock option activity as follows:						
- tock based compensation for options issued to officers, employees, consultants and directors	—	—	279,373	—	—	279,373
Other Comprehensive Income – Foreign Currency Translation Adjustment	—	—	—	—	65,026	65,026
Net loss for the year ended October 31, 2014	—	—	—	(4,914,251)	—	(4,914,251)
Balance, October 31, 2014	159,072,657	$1,590,726	$124,921,150	$(99,301,107)	$ 158,188	$27,368,957

The accompanying notes are an integral part of these consolidated financial statements.

NOTE 1 – ORGANIZATION, DESCRIPTION OF BUSINESS AND LIQUIDITY

Silver Bull Resources, Inc. (the “Company”) was incorporated in the State of Nevada on November 8, 1993 as the Cadgie Company for the purpose of acquiring and developing mineral properties. The Cadgie Company was a spin-off from its predecessor, Precious Metal Mines, Inc. On June 28, 1996, the Company’s name was changed to Metalline Mining Company. On April 21, 2011, the Company’s name was changed to Silver Bull Resources, Inc. The Company’s fiscal year-end is October 31. The Company has not realized any revenues from its planned operations and is considered an Exploration Stage Company. The Company has not established any reserves with respect to its exploration projects and may never enter into the development stage with respect to any of its projects.

The Company engages in the business of mineral exploration. The Company currently owns or has the option to acquire a number of property concessions in Mexico (collectively known as the “Sierra Mojada Property”). The Company conducts its operations in Mexico through its wholly-owned subsidiary corporations, Minera Metalin S.A. de C.V. (“Minera”) and Contratistas de Sierra Mojada S.A. de C.V. (“Contratistas”) and through Minera’s wholly-owned subsidiary Minas de Coahuila SBR S.A. de C.V. (“Minas”).

On April 16, 2010, Metalline Mining Delaware, Inc., a wholly-owned subsidiary of the Company, was merged with and into Dome Ventures Corporation (“Dome”). As a result, Dome became a wholly-owned subsidiary of the Company. Dome has a wholly-owned subsidiary Dome Asia Inc. (“Dome Asia”), which is incorporated in the British Virgin Islands. Dome Asia has a wholly-owned subsidiary incorporated in Gabon, African Resources SARL Gabon (“African Resources”), as well as a 99.99%-owned subsidiary, Dome Minerals Nigeria Limited, incorporated in Nigeria. In January 2015 the Company completed the sale of its subsidiary Dome International Global Inc. (“Dome International”) including Dome International’s wholly-owned subsidiary Dome Ventures SARL Gabon (“Dome Gabon”) which held the Ndjole Prospect in Gabon (Note 3).

The Company’s efforts have been concentrated in expenditures related to exploration properties, principally in the Sierra Mojada Property located in Coahuila, Mexico. The Company has not determined whether its exploration properties contain ore reserves that are economically recoverable. The ultimate realization of the Company’s investment in exploration properties is dependent upon the success of future property sales, the existence of economically recoverable reserves, and the ability of the Company to obtain financing or make other arrangements for exploration, development, and future profitable production activities. The ultimate realization of the Company’s investment in exploration properties cannot be determined at this time. Accordingly, no provision for any asset impairment that may result, in the event the Company is not successful in developing or selling these properties, has been made in the accompanying condensed consolidated financial statements, except as disclosed in Notes 3 and 6.

Liquidity, Financial Commitments and Management’s Plans

Since its inception in November 1993, the Company has not generated revenue and has incurred a deficit of $99,301,107. Accordingly, the Company has not generated cash flow from operations, and since inception the Company has relied primarily upon proceeds from private placements and registered direct offerings of the Company’s equity securities and warrant exercises as the primary sources of financing to fund the Company’s operations. As of October 31, 2014, the Company had working capital of $2,947,144 including $1,281,518 of assets of discontinued operations held for sale and $8,894 of liabilities of discontinued operations held for sale, and cash and cash equivalents of $1,879,318. Management will continue to evaluate the Company’s ability to raise additional capital, and if it determines that additional capital is unavailable or available on terms that the Company determines are unacceptable then the Company will reduce exploration expenditures on the Company’s property concessions and reduce general and administrative expenditures.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies is presented to assist in understanding the consolidated financial statements. The consolidated financial statements and notes are representations of the Company's management, which is responsible for their integrity and objectivity.

Basis of Presentation

The Company's consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") and prepared using the accrual method of accounting.

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries and the Company's previously wholly owned subsidiaries Dome International and Dome Gabon, after elimination of intercompany accounts and transactions. The wholly owned subsidiaries of the Company are listed in Note 1.

Use of Estimates

The preparation of these consolidated financial statements in conformity with GAAP requires management to make estimates based on assumptions about future events that affect the amounts reported in the consolidated financial statements and related notes to the consolidated financial statements. Actual results could differ from those estimates. Estimates and assumptions are reviewed on an ongoing basis based on historical experience and other factors that are considered to be relevant under the circumstances. Revisions to estimates and assumptions are accounted for prospectively.

Significant areas involving the use of estimates include determining the allowance for uncollectible taxes, evaluating recoverability of property concessions, evaluating impairment of long-lived assets, evaluating impairment of goodwill, establishing a valuation allowance on future use of deferred tax assets and calculating stock-based compensation.

Revenue Recognition

The Company recognizes revenue when the title and risks and rewards of ownership pass to the buyer, the selling price is fixed and determinable, persuasive evidence of an arrangement exists and collection of the sale proceeds is considered probable. As of October 31, 2014, the Company has not recognized any revenues.

Cash and Cash Equivalents

Cash and cash equivalents include all highly-liquid investments with an original maturity of three months or less at the date of purchase.

Property Concessions

Property concessions acquisition costs are capitalized when incurred and will be amortized using the units of production method following the commencement of production. If a property concession is subsequently abandoned or impaired, any capitalized costs will be expensed in the period of abandonment or impairment. To date, no property concession have reached the production stage.

Acquisition costs include cash consideration and the fair market value of shares issued on the acquisition of property concessions.

Exploration Costs

Exploration costs incurred are expensed to the date of establishing that costs incurred are economically recoverable. Exploration expenditures incurred subsequent to the establishment of economic recoverability are capitalized and included in the carrying amount of the related property. To date, the Company has not established the economic recoverability of its exploration prospects; therefore, all exploration costs are being expensed.

Property and Equipment

Property and equipment are recorded at cost less accumulated depreciation and impairment losses. Assets under construction are depreciated when they are substantially complete and available for their intended use, over their estimated useful lives. Repairs and maintenance of property and equipment are expensed as incurred. Costs incurred to enhance the service potential of property and equipment are capitalized and depreciated over the remaining useful life of the improved asset. Property and equipment are depreciated using the straight-line, over the estimated useful lives of the related assets as follows:

- Mining equipment – 5 to 10 years
- Vehicles – 4 years
- Building and structures – 40 years
- Computer equipment and software – 3 years
- Well equipment – 10 to 40 years
- Office equipment – 3 to 10 years

Impairment of Long-Lived Assets

Management reviews and evaluates its long-lived assets for impairment when events and changes in circumstances indicate that the related carrying amounts of its assets may not be recoverable. Impairment is considered to exist if the future cash flows on an undiscounted basis are less than the carrying amount of the long-lived asset. An impairment loss is measured and recorded based on the difference between book value and fair value of the asset group, as determined through the application of a present value technique using expected future cash flows to estimate fair value in the absence of a market price. In estimating future cash flows, assets are grouped at the lowest level for which there is identifiable cash flows that are largely independent of cash flows from other asset groups.

Goodwill

Goodwill is the purchase premium after adjusting for the fair value of net assets acquired. Goodwill is not amortized but is reviewed for potential impairment on an annual basis, or when events or circumstances indicate a potential impairment, at the reporting unit level. The Company performs its annual goodwill impairment tests at April 30th of each fiscal year.

In performing the goodwill impairment tests the Company has the option to elect to first perform a qualitative assessment to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount. If the Company determines that this is the case or the Company does not chose to elect to perform a qualitative assessment, the Company is required to perform the currently prescribed two-step goodwill impairment test to identify potential goodwill impairment and measure the amount of goodwill impairment loss to be recognized for that reporting unit (if any). If the Company determines based on the qualitative assessment that the fair value of a reporting unit is not less than its carrying amount, the two-step goodwill impairment test is not required.

Income Taxes

The Company follows the asset and liability method of accounting for income taxes. Under this method, deferred income tax assets and liabilities are determined based on temporary differences between the tax basis and accounting basis of the assets and liabilities measured using tax rates enacted at the balance sheet date. The Company recognizes the tax benefit from uncertain tax positions only if it is at least “more likely than not” that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon settlement with the taxing authorities. This accounting standard also provides guidance on de-recognition, classification, interest and penalties, accounting in interim periods and disclosure.

A valuation allowance is recorded against deferred tax assets if management does not believe the Company has met the “more likely than not” standard imposed by this guidance to allow recognition of such an asset. Management recorded a full valuation allowance at October 31, 2014 and October 31, 2013 against the deferred tax assets as it deems future realization would not meet the criteria “more likely than not”.

Stock-Based Compensation and Warrants

The Company uses the Black-Scholes pricing model as a method for determining the estimated fair value for all stock options awarded to employees, officers, directors and consultants. The expected term of the options is based upon evaluation of historical and expected future exercise behavior. The risk-free interest rate is based upon U.S. Treasury rates at the date of grant with maturity dates approximately equal to the expected life of the grant. Volatility is determined upon historical volatility of the Company’s stock and adjusted if future volatility is expected to vary from historical experience. The dividend yield is assumed to be none as the Company has not paid dividends nor does the Company anticipate paying any dividends in the foreseeable future. The Company uses the graded vesting attribution method to recognize compensation costs over the requisite service period.

The Company also used the Black-Scholes valuation model to determine the fair market value of warrants. Expected volatility is based upon weighted average of historical volatility over the contractual term of the warrant and implied volatility. The risk-free interest rate is based upon implied yield on a U.S. Treasury zero-coupon issue with a remaining term equal to the contractual term of the warrants. The dividend yield is assumed to be none as the Company has not paid dividends nor does not anticipate paying any dividends in the foreseeable future.

Loss Per Share

Basic loss per share includes no dilution and is computed by dividing net loss available to common shareholders by the weighted average common shares outstanding for the period. Diluted loss per share reflects the potential dilution of securities that could share in the earnings of an entity similar to fully diluted loss per share. Although there were stock options and warrants in the aggregate of 11,422,144 shares and 21,848,977 shares outstanding at October 31, 2014 and 2013, respectively, they were not included in the calculation of loss per share because they would have been considered anti-dilutive.

Foreign Currency Translation

During the years ended October 31, 2014 and October 31, 2013, the functional currency of Silver Bull Resources, Inc. and its subsidiaries is the U.S. dollar except for the Gabonese subsidiaries whose functional currency is the Central African Franc ("$CFA").

During the years ended October 31, 2014 and October 31, 2013 the Company's Mexican foreign operations monetary assets and liabilities were translated into U.S. dollars at the period-end exchange rate and non-monetary assets and liabilities were translated using the historical exchange rate. The Company's Mexican foreign operations revenue and expenses were translated at the average exchange rate during the period except for depreciation of office and mining equipment and impairment of property concessions which are translated using the historical exchange rate. Foreign currency translation gains and losses of the Company's foreign Mexican operations are included in the consolidated statement of operations.

During the years ended October 31, 2014 and October 31, 2013 assets and liabilities of the Company's Gabonese operations were translated into U.S. dollars at the period-end exchange rate, and revenue and expenses were translated at the average exchange rate during the period. Exchange differences arising on translation were disclosed as a separate component of stockholders' equity. Realized gains and losses from foreign currency transactions were reflected in the results of operations. Intercompany transactions and balances with the Company's Gabonese subsidiaries were considered to be planned or anticipated to settle in the foreseeable future. All foreign currency transaction gains and losses on intercompany loans which were considered to be planned or anticipated to settle in the foreseeable future were included in the consolidated statement of operations.

Accounting for Loss Contingencies and Legal Costs

From time to time, the Company is named as a defendant in legal actions arising from our normal business activities. The Company records an accrual for the estimated loss from a loss contingency when information available prior to issuance of our financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Disclosure of a loss contingency is made by the Company if there is at least a reasonable possibility that a loss has been incurred, and either an accrual has not been made or an exposure to loss exists in excess of the amount accrued. In cases where only disclosure of the loss contingency is required, either the estimated loss or a range of estimated loss is disclosed or it is stated that an estimate cannot be made. Legal costs incurred in connection with loss contingencies are considered period costs and accordingly are expensed in the period services are provided.

Reclassifications

Certain reclassifications of prior year balances have been made to conform to the current year presentation. The Company reclassified the Dome International consolidated balance sheet amounts and consolidated statements of operations from historical presentation to assets and liabilities of operations held for sale on the consolidated balance sheets and to loss from discontinued operations in the consolidated statements of operations for all periods presented. The consolidated statements of cash flow have not been adjusted to reflect assets held for sale and discontinued operations for all periods presented.

Recent Accounting Pronouncements Adopted in the Year

Effective in July, 2014, the Company adopted Accounting Standards Update ("ASU") 2014-10: Development Stage Entities (Topic 915): Elimination of Certain Financial reporting Requirements, Including an Amendment to Variable Interest Entities Guidance in Topic 810, Consolidation. The standard removes the definition of a development stage entity from the Master Glossary of the Accounting Standards Codification, thereby removing the financial reporting distinction between development stage entities and other reporting entities from GAAP. In addition, the standard eliminates the requirements for development stage entities to (1) present inception-to-date information in the statements of income, cash flows, and shareholder equity, (2) label the financial statements as those of a development stage entity, (3) disclose a description of the development stage activities in which the entity is engaged, and (4) disclose in the first year in which the entity is no longer a development stage entity that in prior years it had been in the development stage. The standard is effective for annual reporting periods beginning after December 15, 2014, and interim periods therein, with early adoption permitted. As a result, the Company eliminated inception to date information from the Company’s consolidated financial statements for the fiscal year ended October 31, 2014.

Effective November 1, 2013, the Company adopted ASU 2011-11, "Balance Sheet (Topic 201): Disclosures about Offsetting Assets and Liabilities." This ASU added certain additional disclosure requirements about financial instruments and derivative instruments that are subject to netting arrangements. The adoption of this guidance did not have a material impact on the disclosure for the Company’s consolidated financial statements.

Recent Accounting Pronouncements Not Yet Adopted

In August 2014, the Financial Accounting Standard Board ("FASB") issued ASU 2014-15, Presentation of Financial Statements—Going Concern (Subtopic 205-40): Disclosure of Uncertainties about an entity's ability to continue as a going concern. ASU 2014-15 is intended to define management's responsibility to evaluate whether there is substantial doubt about an organization's ability to continue as a going concern and to provide related footnote disclosures. The update provides guidance to an organization's management, with principles and definitions that are intended to reduce diversity in the timing and content of disclosures that are commonly provided by organizations today in the financial statement footnotes. The amendments are effective for annual periods ending after December 15, 2016, and interim periods within annual periods beginning after December 15, 2016. Early application is permitted. The Company has not determined the effects of this update on the Company's financial position, result of operations or cash flows and disclosures at this time.

In July 2013, the FASB issued ASU 2013-11, "Income Taxes (Topic 740): Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carry Forward, a Similar Tax Loss, or a Tax Credit Carry Forward Exists." The updated guidance requires an entity to net its unrecognized tax benefits against the deferred tax assets for all same jurisdiction net operating loss carry forwards, a similar tax loss, or tax credit carry forwards. A gross presentation will be required only if such carry forwards are not available or would not be used by the entity to settle any additional income taxes resulting from disallowance of the uncertain tax provision. The update is effective prospectively for the Company's fiscal year beginning November 1, 2014. The Company does not believe the adoption of this update will have a material impact on the Company's financial position, results of operations or cash flows, and the disclosure requirements for the Company's consolidated financial statements.

In April 2014, the FASB issued ASU 2014-08, "Presentation of Financial Statements (Topic 205) and Property, Plant, and Equipment (Topic 360): Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity." Under ASU 2014-08, only disposals of a component or group of components of an entity representing a strategic shift that has (or will have) a major effect on an entity's operations and financial results are presented as discontinued operations. In addition, ASU 2014-08 requires expanded disclosures about discontinued operations that will provide additional information about the assets, liabilities, income, and expenses of discontinued operations. ASU 2014-08 also requires disclosure of the pre-tax income attributable to a disposal of a significant part of an organization that does not qualify for discontinued operations reporting. The update is effective prospectively for fiscal years, and interim periods within those years, beginning after December 15, 2014. The Company has not determined the effects of this update on the Company's financial position, result of operations or cash flows and disclosures at this time.

Other recent accounting pronouncements issued by the FASB (including its Emerging Issues Task Force) and the SEC did not or are not believed to have a material impact on the Company's present or future consolidated financial statements.

NOTE 3 – DISCONTINUED OPERATIONS

On December 13, 2013, the Company entered into a binding letter of agreement and on May 21, 2014, the Company executed a share purchase agreement (the "Transaction") with BHK Mining Corp. (formerly BHK Resources, Inc.) ("BHK") to sell all of the issued and outstanding securities of the Company's former subsidiary Dome International, which holds, indirectly, a 100% interest in and to the Ndjole concession, for cash consideration of $1,500,000 and reimbursement of the Company's expenses of $75,000. The Transaction was completed on January 23, 2015.

As at October 31, 2014, the Company classified Dome International and its wholly-owned subsidiary Dome Gabon as an asset held for sale as assets held for sale criteria were met. Consequently, for all of the periods presented, loss from Dome International and Dome Gabon has been presented within discontinued operations in the consolidated statement of operations and comprehensive loss. During the year ended October 31, 2014 the Company recorded an impairment of $187,981 for the Ndjole concession as its carrying amount was not recoverable based on the implied fair value due to expected net proceeds from the Transaction.

The following table details selected financial information included in the loss from discontinued operations for the year ended October 31, 2014 and 2013.

	For the Year Ended October 31, 2014	2013
Exploration and property holding costs (recovery)	$(28,368)	$334,502
Depreciation and asset impairment	202,444	571,559
(Recovery of) provision for uncollectible value added taxes	(58,220)	30,573
Foreign currency transaction loss (gain)	68,098	(32,950)
Miscellaneous income	—	(491,448)
Net loss	$183,954	$412,236

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The miscellaneous income in the year ended October 31, 2013 was the result of the Company's legal interpretation that AngloGold Ashanti Limited ("AngloGold") abandoned all of its rights and benefits under two joint venture agreements upon their termination. As a result the Company has concluded that the VAT receivable outstanding at the termination of the agreements and subsequent cash collected related to this VAT receivable of $491,448 was determined to be the sole property of the Company.

During the year ended October 31, 2013, the Company determined that the Ndjole license was impaired as its carrying amounts were not recoverable from its implied fair value based on the binding letter of agreement with BHK described above. This impairment resulted in the Company writing off a portion of the capitalized property concession balance of $556,935 related to the Ndjole license.

The major classes of assets and liabilities of Dome International and Dome Gabon presented as assets held for sale in the consolidated balance sheets are as follows:

	October 31, 2014	October 31, 2013
Assets		
Cash and cash equivalents	$6,851	$45,270
Restricted cash	1,417	—
Value-added tax receivable	8,053	8,767
Prepaid expenses and deposits	6,796	—
Other assets	80,238	—
Office and mining equipment, net	9,536	25,130
Property concession	1,168,627	1,474,870
Total assets of discontinued operations held for sale	$1,281,518	$1,554,037

Liabilities		
Accounts payable	$8,894	$3,942
Total liabilities of discontinued operations held for sale	$8,894	$3,942

NOTE 4 – VALUE-ADDED TAX RECEIVABLE

Value-added tax ("VAT") receivable relates to VAT paid in Mexico and Gabon. The Company estimates net VAT of $163,032 will be received within twelve months of the balance sheet date. The allowance for uncollectible VAT taxes was estimated by management based upon a number of factors including the length of time the returns have been outstanding, responses received from tax authorities, general economic conditions in Mexico and Gabon and estimated net recovery after commissions. During the year ended October 31, 2014, a provision of uncollectible VAT of $19,170 has been recorded.

A summary of the changes in the allowance for uncollectible VAT taxes for the year ended October 31, 2014 and October 31, 2013 is as follows:

Allowance for uncollectible VAT taxes – October 31, 2012	$203,835
Provision for uncollectible VAT Taxes	5,167
Write-off VAT receivable	(74,558)
Foreign currency translation adjustment	(6,887)
Allowance for uncollectible VAT taxes – October 31, 2013	127,557
Provision for uncollectble VAT Taxes	19,170

Write-off VAT receivable	(25,066)
Foreign currency translation adjustment	(5,387)
Allowance for uncollectible taxes – October 31, 2014	$116,274

NOTE 5 – OFFICE AND MINING EQUIPMENT

The following is a summary of the Company's office and mining equipment at October 31, 2014 and October 31, 2013, respectively:

	October 31, 2014	October 31, 2013
Mining equipment	$504,451	$645,084
Vehicles	81,261	81,261
Buildings and structures	191,966	191,966
Computer equipment and software	84,989	85,618
Well equipment	39,637	39,637
Office equipment	52,931	53,900
	955,235	1,097,466
Less: Accumulated depreciation	(591,716)	(613,845)
	$363,519	$483,621

NOTE 6 – PROPERTY CONCESSIONS

The following is a summary of the Company's property concessions in Mexico and Gabon as at October 31, 2014 and 2013, respectively:

	Sierra Mojada, Mexico	Mitzic, Gabon	Total
Property Concessions – October 31, 2012	$6,326,139	$302,630	$6,628,769
Acquisitions	807,732	—	807,732
Impairment	(714,038)	—	(714,038)
Foreign currency translation adjustment	—	19,511	19,511
Property Concessions – October 31, 2013	$6,419,833	$322,141	$6,741,974
Acquisitions	377,845	—	377,845
Impairment	(1,234,415)	(324,560)	(1,558,975)
Foreign currency translation adjustments	—	2,419	2,419
Property Concessions – October 31, 2014	$5,563,263	$—	$5,563,263

Sierra Mojada, Mexico

During the year ended October 31, 2014, the Company decided to not to pursue further work on certain concessions in Sierra Mojada, Mexico. As a result, the Company has written off the capitalized property concession balance related to these concessions of $1,234,415.

During the year ended October 31, 2013, the Company decided not to pursue further work on certain concessions in Sierra Mojada, Mexico. As a result, the Company has written off the capitalized property concession balance related to these concessions of $714,038.

Gabon, Africa

During the year ended October 31, 2014, the Company has written off the capitalized property concession balance related to the Mitzic concession of $324,560 as the recoverability is highly uncertain.

NOTE 7 – GOODWILL

Goodwill represents the excess, at the date of acquisition, of the purchase price of the business acquired over the fair value of the net tangible and intangible assets acquired. At October 31, 2014 the Company did not elect to perform a qualitative assessment to determine whether it is more likely than not that the fair value of the reporting unit is less than its carrying amount and therefore performed the two-step goodwill impairment test. Based on this test the Company determined the fair value of the reporting unit exceeded the carrying amount and no impairment was necessary.

The following is a summary of the Company's goodwill balance as at October 31, 2014 and 2013, respectively:

Goodwill – October 31, 2012	$18,495,031
Goodwill – October 31, 2013	$18,495,031
Goodwill – October 31, 2014	$18,495,031

NOTE 8 – SHAREHOLDER RIGHTS PLAN

On June 11, 2007, the Board of Directors adopted a Shareholders' Right Plan through the adoption of a Rights Agreement, which became effective immediately. In connection with the adoption of the Rights Agreement, the Board of Directors declared a distribution of one Right for each outstanding share of the Company's common stock, payable to shareholders of record at the close of business on June 22, 2007. In accordance with the Rights Plan, one Right is attached to each share of Company common stock issued since that date. Each Right is attached to the underlying common share and will remain with the common share if the share is sold or transferred. As of October 31, 2014, there are 159,072,657 shares outstanding with Rights attached.

In certain circumstances, in the event that any person acquires beneficial ownership of 20% or more of the outstanding shares of the Company's common stock, each holder of a Right, other than the acquirer, would be entitled to receive, upon payment of the purchase price, which is initially set at $20 per Right, a number of shares of the Company's common stock having a value equal to two times such purchase price. The Rights will expire on June 11, 2017.

NOTE 9 - COMMON STOCK

No common stock was issued during the year ended October 31, 2014.

On February 14, 2013, the Company closed a public offering (the "Offering") for the sale of 22,912,500 units at a price of $0.40 per unit for gross proceeds of $9,165,000. Each unit was comprised of one share of common stock of the Company and one-half of one common stock purchase warrant, with each whole warrant exercisable to purchase one share of common stock, at an exercise price of $0.55, for a period of 18 months from the closing of the Offering. The Company paid the agents on the Offering a cash commission equal to 6.0% of the gross proceeds, except for $2.5 million in units sold to purchasers arranged by the Company for which the agents received a 3.0% cash commission. In addition, the agents received 1,187,250 compensation warrants with the same terms as the other warrants issued in the Offering. The total cash commission paid to the agents was $474,900, the fair value of the agents' compensation warrants was determined to be $51,672 (Note 11), and the Company incurred other offering costs of $595,375.

NOTE 10 - STOCK OPTIONS

The Company has two active stock option plans. Under the 2006 Stock Option Plan (the “2006 Plan”) the Company may grant non-statutory and incentive options to employees, directors and consultants for up to a total of 5,000,000 shares of common stock. Under the 2010 Stock Option and Stock Bonus Plan (the “2010 Plan”), the lesser of (i) 30,000,000 shares or (ii) 10% of the total shares outstanding are reserved for issuance upon the exercise of options or the grant of stock bonuses.

Options are typically granted with an exercise price equal to the closing market price of the Company’s stock at the date of grant, have a graded vesting schedule over approximately 1 to 2 years and have a contractual term of 2 to 10 years.

A summary of the range of assumptions used to value stock options granted for the year ended October 31, 2014 and 2013 are as follows:

Options	Year Ended October 31, 2014	2013
Expected volatility	48% - 54%	54% - 70%
Risk-free interest rate	0.31% - 1.19%	0.29% - 0.88%
Dividend yield	—	—
Expected term (in years)	1.50 – 3.50	2.50 – 3.50

During the year ended October 31, 2014, the Company granted options to acquire 2,875,000 shares of common stock with a weighted-average grant-date fair value of $0.09 per share. No options were exercised during the year ended October 31, 2014.

During the year ended October 31, 2013, the Company granted options to acquire 2,515,000 shares of common stock with a weighted-average grant-date fair value of $0.15 per share. No options were exercised during the year ended October 31, 2013.

The following is a summary of stock option activity for the fiscal years ended October 31, 2014 and 2013:

Options	Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (Years)	Aggregate Intrinsic Value
Outstanding at October 31, 2012	7,530,002	$ 0.66	3.93	$ 12,500
Granted	2,515,000	0.37		
Forfeited or Cancelled	(839,525)	0.67		
Outstanding at October 31, 2013	9,205,477	$ 0.58	3.45	$ —
Granted	2,875,000	0.26		
Forfeited or Cancelled	(658,333)	0.55		
Outstanding at October 31, 2014	11,422,144	0.50	3.00	$ —

The Company recognized stock-based compensation costs for stock options of $279,373 and $576,358 for the fiscal years ended October 31, 2014 and 2013, respectively. As of October 31, 2014, there remains $155,478 of total unrecognized compensation expense which is expected to be recognized over a weighted average period of 0.59 years.

Summarized information about stock options outstanding and exercisable at October 31, 2014 is as follows:

Options Outstanding				Options Exercisable	
Exercise Price	Number Outstanding	Weighted Ave. Remaining Contractual Life (Years)	Weighted Average Exercise Price	Number Exercisable	Weighted Average Exercise Price
$0.26	2,875,000	4.64	$ 0.26	1,183,333	$ 0.26
0.37	2,165,000	3.65	0.37	1,700,002	0.37
0.44 – 0.73	5,520,000	2.14	0.58	5,420,000	0.58
1.00 - 1.20	805,000	1.30	1.11	805,000	1.11
2.18	57,144	2.49	2.18	57,144	2.18
$0.26 - 2.18	11,422,144	3.00	$ 0.50	9,165,479	$ 0.56

NOTE 11- WARRANTS

A summary of warrant activity for the fiscal years ended October 31, 2014 and 2013 is as follows:

Warrants	Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (Years)	Aggregate Intrinsic Value
Outstanding at October 31, 2012	90,000	$ 0.34	0.28	$ 13,500
Expired	(90,000)	0.34		
Issued in the Offering (Note 9)	11,456,250	0.55		
Agents compensation warrants (Note 9)	1,187,250	0.55		
Outstanding at October 31, 2013	12,643,500	0.55	0.79	—
Expired	(12,643,500)	0.55		
Outstanding at October 31, 2014	—	$ —	—	$ —
Exercisable at October 31, 2014	—	$ —	—	$ —

No warrants were issued or exercised during the year ended October 31, 2014.

On February 14, 2013, the Company issued 11,456,250 warrants in connection with the Offering and issued 1,187,250 compensation warrants to the agents. The fair value of the agent’s compensation warrants was determined to be $51,672 based upon the Black-Scholes pricing model using a risk free interest rate of 0.22%, expected volatility of 50%, dividend yield of 0%, and a contractual term of 1.5 years.

No warrants were exercised during the year ended October 31, 2013.

NOTE 12 – INCOME TAXES

Provision for Taxes

The Company files a United States federal income tax return and a Canadian branch return on a fiscal year-end basis and files Mexican income tax returns for its three Mexican subsidiaries on a calendar year-end basis. The Company and two of its wholly-owned subsidiaries, Minera and Minas, have not generated taxable income since inception. Contratistas, another wholly- owned Mexican subsidiary, has historically generated taxable income based upon intercompany fees billed to Minera on the services it provides.

On April 16, 2010, a wholly-owned subsidiary of the Company was merged with and into Dome, resulting in Dome becoming a wholly-owned subsidiary of the Company. Dome, a Delaware corporation files tax returns in the United States and Dome Ventures SARL Gabon and African Resources SARL Gabon file tax returns in Gabon, Africa. Dome and its subsidiaries do not currently generate taxable income.

The components of loss before income taxes, by tax jurisdiction, were as follows:

	For the year ended October 31, 2014	2013
United States	(1,902,000)	(3,898,000)
Canada	(163,000)	(337,000)
Mexico	(2,171,000)	(2,734,000)
Gabon	(479,000)	(21,000)
Loss from continuing operations	$(4,715,000)	$(6,990,000)
Loss from discontinued operations	$(184,000)	$(412,000)
Loss before income taxes	$(4,899,000)	$(7,402,000)

The components of the provision for income taxes are as follows:

	For the year ended October 31, 2014	2013
Foreign		
Current tax expense	$15,000	$65,000
Deferred tax expense	—	—
Total from continuing operations	15,000	65,000
Total from discontinued operations	—	—
	$15,000	$65,000

The Company’s provision for income taxes for the fiscal year ended October 31, 2014 consisted of a tax expense of $15,000 related to a provision to income taxes expense for Contratistas and the Silver Bull Canadian branch return for the year ended October 31, 2014.

The reconciliation of the provision for income taxes computed at the U.S. statutory rate to the provision for income tax as shown in the statement of operations and comprehensive loss is as follows:

	For the year ended October 31, 2014	2013
Income tax benefit calculated at U.S. Federal Income tax rate	$(1,715,000)	$(2,591,000)
Differences arising from:		
Permanent differences	451,000	963,000
Differences due to foreign income tax rate	(54,000)	88,000
Increase in foreign tax rates	(661,000)	—
Adjustment to prior year taxes	(66,000)	199,000
Inflation adjustment foreign net operating loss	(394,000)	(368,000)
Foreign currency fluctuations	408,000	(98,000)

Increase in valuation allowance	2,056,000	1,833,000
Other	(10,000)	39,000
Net income tax provision	$15,000	$65,000

	October 31, 2014	2013
Deferred tax assets:		
Net operating loss carry forwards – U.S.	$10,748,000	$10,123,000
Net operating loss carry forwards – Mexico	10,792,000	9,617,000
Stock-based compensation – U.S.	126,000	99,000
Exploration costs	559,000	542,000
Other – U.S.	35,000	26,000
Other – Mexico	28,000	44,000
	22,288,000	20,451,000
Deferred tax liability		
Property Concessions	(409,000)	(629,000)
Total net deferred tax assets	21,879,000	19,822,000
Less: valuation allowance	(21,879,000)	(19,822,000)
Net deferred tax asset	$—	$—

At October 31, 2014 the Company has U.S. net operating loss carry-forwards of approximately $31 million which expire in the years 2019 through 2034. The Company has approximately $36 million of net operating loss carry-forwards in Mexico which expire in the years 2015 through 2024.

The valuation allowance for deferred tax assets of $21.9 and $19.8 million at October 31, 2014 and 2013, respectively, relates principally to the uncertainty of the utilization of certain deferred tax assets, primarily net operating loss carry forwards in various tax jurisdictions. The Company continually assesses both positive and negative evidence to determine whether it is more likely than not that the deferred tax assets can be realized prior to their expiration. Based on the Company's assessment it has determined the deferred tax assets are not currently realizable.

Mexico Tax Legislation

On December 11, 2013, the Mexican tax reform package was published in the official gazette and is effective as from January 1, 2014. Amongst other changes the planned corporate tax reductions to 29% in 2014 and 28% thereafter have been repealed and the corporate tax rate will remain at 30%. A special mining duty of 7.5% will apply to net profits derived by a property concession holder from the sale or transfer of extraction related activities. Net profits for the purpose of this special mining duty will be determined in a manner similar to the calculation of general taxable income with certain deductions not available including for investment in fixed assets and interest.

Net Operating Loss Carry-forward Limitation

The Tax Reform Act of 1986 contains provisions that limit the utilization of net operating loss and tax credit carry forwards if there has been a change in ownership as described in Section 382 of the Internal Revenue Code. As a result of the Dome merger in April 2010, substantial changes in the Company's ownership have occurred that may limit or reduce the amount of net operating loss carry-forward that the Company could utilize in the future to offset taxable income. We have not completed a detailed Section 382 study at this time to determine what impact, if any, that ownership changes may have had on our operating loss carry forwards. In each period since our inception, we have recorded a valuation allowance for the full amount of our deferred tax assets, as the realization of the deferred tax asset is uncertain. As a result, we have not recognized any federal or state income tax benefit in our consolidated statement of operations and comprehensive loss.

Accounting for Uncertainty in Income Taxes

During the fiscal years ended October 31, 2014 and 2013, the Company has not identified any unrecognized tax benefits or had any additions or reductions in tax positions and therefore a reconciliation of the beginning and ending amount of unrecognized tax benefits is not presented.

The Company does not have any unrecognized tax benefits as of October 31, 2014 and accordingly the Company's effective tax rate will not be materially affected by unrecognized tax benefits.

The following tax years remain open to examination by the Company's principal tax jurisdictions:

United States:	2010 and all following years
Mexico:	2009 and all following years
Canada:	2010 and all following years
Gabon, Africa:	2011 and all following years

The Company has not identified any uncertain tax position for which it is reasonably possible that the total amount of unrecognized tax benefit will significantly increase or decrease within the next twelve months.

The Company's policy is to classify tax related interest and penalties as income tax expense. There is no interest or penalties estimated on the underpayment of income taxes as a result of unrecognized tax benefits.

NOTE 13 – FINANCIAL INSTRUMENTS

Fair Value Measurements

All financial assets and financial liabilities are recorded at fair value on initial recognition. Transaction costs are expensed when they are incurred, unless they are directly attributable to the acquisition of qualifying assets, in which case they are added to the costs of those assets until such time as the assets are substantially ready for their intended use or sale.

The three levels of the fair value hierarchy are as follows:

Level 1	Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;
Level 2	Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability;
Level 3	Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

Under fair value accounting, assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. As of October 31, 2014 and October 31, 2013, the Company had no financial assets or liabilities required to be reported for fair value purposes.

The carrying amounts of the Company's financial instruments, including cash and cash equivalents, restricted cash, other receivables, accounts payable and accrued liabilities and expenses approximate fair value at October 31, 2014 and October 31, 2013 due to the short maturities of these financial instruments.

Credit Risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss for the Company by failing to discharge its obligations. To mitigate exposure to credit risk on financial assets the Company has established policies to ensure liquidity of funds and ensure counterparties demonstrate minimum acceptable credit worthiness.

The Company maintains its US Dollar and Canadian Dollar ("$CDN") cash and cash equivalents in bank and demand deposit accounts with major financial institutions with high credit standings. Cash deposits held in the United States are insured by the Federal Deposit Insurance Corporation (“FDIC”) for up to $250,000 and $CDN cash deposits held in Canada are insured by the Canada Deposit Insurance Corporation (“CDIC”) for up to $CDN 100,000. Certain United States and Canadian bank accounts held by the Company exceed these federally insured limits or are uninsured as they related to US Dollar deposits held in Canadian financial institutions. As of October 31, 2014 and 2013, the Company’s cash and cash equivalent balances held in United States and Canadian financial institutions included $1,681,759 and $4,844,049 respectively, which was not insured by the FDIC or CDIC. The Company has not experienced any losses on such accounts and management believes that using major financial institutions with high credit ratings mitigates the credit risk in cash and cash equivalents.

The Company also maintains cash and cash equivalents and restricted cash in bank accounts in Mexico and Gabon. These accounts are denominated in the local currency and are considered uninsured. As of October 31, 2014 and 2013, the US dollar equivalent balance for these accounts was $115,686 and $87,889, respectively.

Interest Rate Risk

The Company holds substantially all of the Company's cash and cash equivalents in bank and demand deposit accounts with major financial institutions. The interest rates received on these balances may fluctuate with changes in economic conditions. Based on the average cash and cash equivalent and restricted cash balances during the year ended October 31, 2014, a 1% decrease in interest rates would have resulted in a reduction in interest income for the period of approximately $3,584.

Foreign Currency Exchange Risk

Certain purchases of labor, operating supplies and capital assets are denominated in $CDN, Mexican Peso ("$MXN"), $CFA or other currencies. As a result, currency exchange fluctuations may impact the costs of our operations. Specifically, the appreciation of the $MXN, $CDN or $CFA against the US dollar may result in an increase in operating expenses and capital costs in US dollar terms. As of October 31, 2014, the Company maintained the majority of its cash balance in US Dollars. The Company currently does not engage in any currency hedging activities.

NOTE 14 - COMMITMENTS AND CONTINGENCIES

Compliance with Environmental Regulations

The Company's exploration activities are subject to laws and regulations controlling not only the exploration and mining of mineral properties, but also the effect of such activities on the environment. Compliance with such laws and regulations may necessitate additional capital outlays or affect the economics of a project, and cause changes or delays in the Company's activities.

Property Concessions Mexico

To properly maintain property concessions in Mexico, the Company is required to pay a semi-annual fee to the Mexican government and complete annual assessment work.

In addition two of the concessions in the Sierra Mojada project are subject to options to purchase from existing third party concession owners. Pursuant to the option purchase agreements, the Company is required to make certain payments over the terms of these contracts to obtain full ownership of these concessions as set forth in the table below:

Nuevo Dulces Nombres (Centenario) and Yolanda III (2 concessions)

Payment Date	Payment Amount(1) (2)
May 2015	$30,000
Monthly payment beginning August 2016 and ending July 2018	$20,000 per month

(1) Until July 2018, the Company has the option of acquiring Nuevo Dulces Nombres (100% interest) for $4 million and Yolanda III (100% interest) for $2 million plus a lump sum payment equal to any remaining monthly

payments.

(2) If a change of control occurs prior to May 30, 2016 the Company is required to make a payment of $200,000 within 20 days of the change of control.

Property Concessions Gabon

The Company holds title to the Mitzic concession (Note 6) in Gabon, Africa that requires the Company to spend minimum amounts each term to renew the concession. The concession is renewable twice with each renewal lasting for three years. The initial renewal of the Mitzic concession was granted on July 24, 2012. Per the renewed concession license, the Company must spend $CFA 901,000,000 ($1,736,031) on exploration work on the Mitzic concession in order to renew the concession for a third term of three years. The expenditures during the second period are reduced by $CFA 272,389,955 ($524,836) which represent amounts spent in the second period to October 31, 2014 and amounts carried forward from the initial term for expenditures incurred in excess of the renewal requirements. The Company must spend $CFA 800,000,000 ($1,541,426) in the third term per Gabonese law. The Company may apply for a mining license at any time during these periods. As of October 31, 2014, one U.S. dollar approximates $CFA 519.

Royalty

The Company has agreed to pay a 2% net smelter return royalty on certain property concessions within the Sierra Mojada Property. Total payments under this royalty are limited to $6.875 million (the "Royalty").

Litigation and Claims

In July 2014 a local cooperative named Sociedad Cooperativa de Exploración Minera Mineros Norteños, S.C.L. (“Mineros Norteños”) filed an action before the First Court in Civil Matters in Chihuahua City, Mexico against the Company’s subsidiary, Minera Metalin, claiming that the Company breached an agreement regarding the development of the Sierra Mojada Project. Mineros Norteños is seeking payment of the Royalty, including interest at a rate of 6% per annum from August 30, 2004, notwithstanding that no revenue has been produced from the applicable mining concessions, and it is also seeking payment of wages to the cooperative’s members from August 30, 2004, notwithstanding that none of the individuals were ever hired or performed work for the Company. The Company and the Company’s Mexican legal counsel believe this claim is without merit and have asserted all applicable defenses. The Company has not accrued any amounts in our financial statements with respect to this claim.

From time to time, the Company is involved in other disputes, claims, proceedings and legal actions arising in the ordinary course of business. The Company intends to vigorously defend all claims against the Company, and pursue our full legal rights in cases where the Company has been harmed. Although the ultimate outcome of these proceedings cannot be accurately predicted due to the inherent uncertainty of litigation, in the opinion of management, based upon current information, no other currently pending or overtly threatened proceeding is expected to have a material adverse effect on the Company's business, financial condition or results of operations.

Office Lease Commitment

The Company entered into a five-year office lease agreement from April 1, 2012 to March 31, 2017 for the Company’s corporate office in Vancouver, Canada. The monthly lease payment is $CDN 7,743 until March 31, 2016, increasing to $CDN 7,981 on April 1, 2016. As of October 31, 2014, one U.S. dollar approximates $CDN 1.13.

NOTE 15 – SEGMENT INFORMATION

The Company operates in a single reportable segment: the exploration of mineral property interests. The Company has mineral property interests in Sierra Mojada, Mexico and Gabon, Africa.

Geographic information is approximately as follows:

	For the Year Ended October 31,	
	2014	2013
Net loss for the period		
Mexico	$(2,462,000)	$(4,357,000)
Canada	(1,772,000)	(2,657,000)
Gabon	(496,000)	(41,000)
United States	—	—
Loss from Continuing Operations	(4,730,000)	(7,055,000)
Discontinued Operations	(184,000)	(412,000)
Net Loss	$(4,914,000)	$(7,467,000)

The following table details allocation of assets included in the accompanying balance sheet at October 31, 2014:

	United States	Canada	Mexico	Gabon	Total
Cash and cash equivalents	$ -	$1,770,000	$96,000	$13,000	$1,879,000
Value-added tax receivable, net	-	-	160,000	3,000	163,000
Other receivables	-	5,000	25,000	-	30,000
Prepaid expenses and deposits	-	140,000	79,000	1,000	220,000
Assets of discontinued operations held for sale	-	-	-	1,282,000	1,282,000
Office and mining equipment, net	-	1,000	363,000	-	364,000
Property concessions	-	-	5,563,000	-	5,563,000
Goodwill	-	-	18,495,000	-	18,495,000
	$ -	$1,916,000	$24,781,000	$1,299,000	$27,996,000

The following table details allocation of assets included in the accompanying balance sheet at October 31, 2013:

	United States	Canada	Mexico	Gabon	Total
Cash and cash equivalents	$3,076,000	$2,087,000	$23,000	$20,000	$5,206,000
Value-added tax receivable, net	-	-	327,000	3,000	330,000
Other receivables	-	20,000	47,000	-	67,000
Prepaid expenses and deposits	-	137,000	98,000	1,000	236,000
Assets of discontinued operations held for sale	-	-	-	1,554,000	1,554,000
Office and mining equipment, net	-	4,000	480,000	-	484,000
Property concessions	-	-	6,420,000	322,000	6,742,000
Goodwill	-	-	18,495,000	-	18,495,000
	$3,076,000	$2,248,000	$25,890,000	$1,900,000	$33,114,000

The Company has significant assets in Coahuila, Mexico and Gabon, Africa. Although these countries are generally considered economically stable, it is always possible that unanticipated events in foreign countries could disrupt the Company's operations. Neither the Mexican government nor the Gabonese government requires foreign entities to maintain cash reserves in their respective country.

The following table details allocation of exploration and property holding costs for the exploration properties:

	For the Year Ended October 31,	
	2014	2013
Exploration and property holding costs for the period		
Mexico Sierra Mojada	$(2,499,000)	$(4,514,000)
Gabon Mitzic	(416,000)	(95,000)
	$(2,915,000)	$(4,609,000)

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